FINDINGS OF THE WEB BASIC PILOT EVALUATION

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EXECUTIVE SUMMARY

A. BACKGROUND

1. INTRODUCTION

This report summarizes the findings of the evaluation of the Web Basic Pilot program,[1] a modified version of the Basic Pilot program – one of the three pilot programs originally mandated by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRIRA). These pilot programs were developed to test alternative types of electronic verification systems before considering the desirability and nature of implementing any larger scale employment verification programs. On the basis of findings from prior evaluations, the pilot programs other than the Basic Pilot were terminated. The current Basic Pilot program, referred to in this report as the Web Basic Pilot, incorporates a number of recommended enhancements from the evaluations of the initial pilot programs.

The report's goals are as follows:

- Determine whether the Web Basic Pilot has resulted in the improvements in the automated employment verification process that it was designed to address;

- Determine whether any unexpected problems arose in the process of implementing the new version of the Web Basic Pilot program; and

- Investigate further some general questions about automated employment verification programs that were not fully answered in the previous evaluations of the IIRIRA employment pilot programs.

This report includes information from Federal employees and contractors, Web Basic Pilot employers, employees who initially received tentative nonconfirmations from the Web Basic Pilot, employers that have terminated using the system, and employers that signed up for the program but had not used it within at least 3 months of signing up. It also includes analyses of secondary data, including analyses using the transaction database generated by the Web Basic Pilot program during the verification process.

2. LEGISLATIVE HISTORY

Verification of employee identity and employment authorization became a workplace standard as a result of the Immigration Reform and Control Act of 1986 (IRCA), to accompany implementation of sanctions against employers who knowingly hired

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[1] Recently, the name for the Web Basic Pilot has been changed to E-Verify. However, it was known as the Basic Pilot program during most of the time that the evaluation took place and many users still think of it as the Basic Pilot. To avoid unnecessary confusion, this report refers to the current program as the Web Basic Pilot and to the earlier, modem-based program as the original Basic Pilot program. References to the Basic Pilot program apply to both programs.

unauthorized workers. A related provision was also enacted that protected employees from employer discrimination based on national origin or citizenship status.

Because of concerns about how the IRCA policies might be implemented, Congress required monitoring of the programs and a series of General Accounting Office (GAO)[2] and Executive Branch reports on their impacts. These reports found that the new provisions had led to unintended consequences, including employer confusion and proliferation of fraudulent documents. GAO found in its 1990 report that employer sanctions had also led to a pattern of discriminatory employer practices. Recommendations ensued to improve the verification process by increasing employer education, reducing the number of documents acceptable for verification purposes, and making the documents that could be used in the verification process more secure.

Congress also provided for the testing of alternative verification systems that might be more effective than the system provided in IRCA. The pilot programs implemented used similar procedures and the same Immigration and Naturalization Service (INS) database as the INS Systematic Alien Verification for Entitlements (SAVE) Program, which verifies the status of noncitizen applicants for certain Federal and State benefit and licensing programs.

In 1994, the Commission on Immigration Reform called for the Social Security Administration (SSA) and INS to institute a national registry combining both agencies' data for use in electronic employment verification. Although SSA and INS determined that this specific recommendation was not practical at that time, they did find it possible to test electronic verification for all newly hired employees using each agency's data separately for a small number of pilot employers. This approach to verification formed the basis for the three IIRIRA employment pilot programs. Of those pilot programs, after testing and evaluation, only the Basic Pilot program was continued. This program began in November 1997 and continued in its original PC/modem format until July 2005.

3. DESCRIPTION OF THE WEB BASIC PILOT

The Web Basic Pilot is a voluntary national program first made available to employers in June 2004. In July 2005, the original version of the Basic Pilot was terminated, making the Web Basic Pilot the only U.S. Citizenship and Immigration Services (USCIS) electronic employment verification program available to employers.

After registering for the Web Basic Pilot, signing a Memorandum of Understanding (MOU) with USCIS and SSA, and completing required on-line training, participating employers should complete a USCIS Form I-9 and perform electronic verification of every newly hired employee. To verify a newly hired employee, the employer submits information (Social Security number, name, date of birth, citizenship or alien status, and, if relevant, Alien number) from the Form I-9 to SSA over a secure connection to the Internet. This information goes first to SSA and then, for noncitizens, to USCIS.

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[2] Now the Government Accountability Office.

If the SSA database does not match the employee information entered, SSA issues a tentative nonconfirmation finding. If the person claims to be a U.S. citizen and the information submitted matches the SSA information, the employer is instantaneously notified that the employee is work-authorized.

If the employee claims to be a noncitizen and the SSA database information matches the employee information, the employee information is sent to USCIS electronically. If the employee information matches USCIS information and indicates that the person is authorized to work in the United States, the employer is instantaneously notified that the employee is work-authorized. If the USCIS electronic check does not confirm work authorization, an Immigration Status Verifier (ISV) checks additional information available in USCIS databases to verify work authorization and provides an electronic response to the employer, usually within 24 hours. If the ISV cannot confirm work authorization, USCIS issues a tentative nonconfirmation finding.

When a tentative nonconfirmation is issued, employers are required to inform affected employees in writing of the finding and the right to contest the finding. If any discrepancies with SSA or USCIS records are straightened out, the employees are found to be work-authorized. When employees do not contest tentative nonconfirmations or fail to contact SSA or USCIS within 10 Federal working days, the Web Basic Pilot system issues final nonconfirmation findings and, to comply with the law, employers are expected to terminate the workers' employment.

The Web Basic Pilot differs from the original Basic Pilot program in the following ways:

- The Web Basic Pilot uses the Internet to register new employers, provide users with training in how to use the system, and communicate with employers.

- The training materials have been redesigned, and employer staff are now required to pass a Mastery Test on the material presented in the training module before being permitted to use the system.

- New edit checks have been added to the system to decrease the number of employer input errors.

The Web Basic Pilot is not a static system; the Federal government has made changes to the system since its introduction in June 2004 and continues to make and plan for additional enhancements. For example, USCIS is currently running a pilot program designed to increase the Web Basic Pilot's potential to detect identity fraud through the use of photographs. If this proves to be useful and is implemented for all employers, it would significantly affect the current program and would need additional evaluation to determine its effect.[3]

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[3] Evaluation of this pilot program is beyond the scope of the current evaluation.

4. WEB BASIC PILOT EVALUATION QUESTIONS

The goals, objectives, and resulting research questions of the Web Basic Pilot evaluation reflect, in large part, the goals and objectives of the earlier evaluations:

- How well did the Federal government implement modifications to the original Basic Pilot program in developing the Web Basic Pilot program?

    - Were the modifications to the original Basic Pilot that were designed to better meet employer needs reflected in increased employer satisfaction?

    - Were the modifications to the original Basic Pilot that were designed to reduce employer confusion and noncompliance with pilot requirements effective in increasing employer compliance?

- Is the Web Basic Pilot effective in meeting pilot program goals?

    - Does the Web Basic Pilot reduce employment of unauthorized workers?

    - Does the Web Basic Pilot reduce discrimination?

    - Does the Web Basic Pilot protect employee civil liberties and privacy?

    - Does the Web Basic Pilot prevent undue burden on employers?

B. RESEARCH METHODS FOR THE WEB BASIC PILOT EVALUATION

1. EVALUATION APPROACHES

Prior to the first IIRIRA pilot evaluation, a series of meetings was held at which congressional and Federal administrators, employers, representatives of immigrant advocacy groups, and other stakeholders contributed their views on the major issues facing the pilot programs. Because of the complexity of these issues, the evaluations have used multiple approaches to obtain the information needed to answer the evaluation questions. The current evaluation of the Web Basic Pilot is more limited in scope than the original Basic Pilot evaluation. However, like the original evaluation, it uses several approaches. The evaluation components are as follows:

- Web surveys of 1,030 employers that had signed MOUs at least 1 year earlier and had used the system in specified months prior to the survey, 402 employers that had signed an MOU in November or December 2006 and had submitted one or more cases in March 2007, and 70 small employers that used the Web Basic Pilot in the first quarter of 2007.

- Analysis of Web Basic Pilot system transaction data entered by employers and the Federal government, supplemented by additional information from SSA records. In addition to the full transaction database, the evaluation used information extracted from the full database for those employers transmitting cases in each of

the 6-month periods from October 2004 through March 2007. This longitudinal database enabled the evaluation team to conduct analyses unaffected by changes in the composition of employers participating over time.

- Case studies, including on-site in-person interviews with five employers, record reviews for 376 of their employees that the transaction database indicated had received tentative nonconfirmation findings, and in-person interviews with 79 of these employees.

- Unstructured interviews with 18 employers that had either formally terminated use of the Web Basic Pilot or had signed an MOU but never used the system.

- System testing to determine the ease of use of the Web Basic Pilot from the employer's perspective.

- Meetings with Federal program officials knowledgeable about and experienced with the pilot programs.

Key findings from the multiple approaches were cross-checked to determine their consistency and, where possible, the reasons for any differences.

2. DATA LIMITATIONS

Survey data are always subject to inaccuracies due to a variety of factors, such as respondent inability to understand questions or provide accurate answers for one reason or another; the surveys of Web Basic Pilot employers are, of course, subject to these limitations. The case study component of the evaluation and the interviews with non-users were designed to give a more in-depth understanding of the program than can be obtained from structured interviews alone rather than to be statistically representative of all employers. Information from small employers completing the Web survey and information from interviews with non-users also cannot be considered statistically representative.

Information obtained directly from the transaction database is based on all 3.5 million cases (defined as a single hiring of a specific individual by a specific employer) on that database for the period of June 2004 through March 2007 or on specific subgroups of these cases (such as all foreign-born U.S. citizens or all noncitizens). The longitudinal transaction database includes information for close to 1 million transactions for the 544 employers that transmitted cases for each 6-month period between October 2004 and March 2007. Although sampling errors are not an issue for these databases, they are subject to other types of error, resulting, for example, from data input errors or errors made in the process of cleaning the transaction database.

In some situations, it was not possible to obtain direct measures of key variables of interest. Where possible, the evaluation uses model-based estimates of these variables or uses indicators that can be considered indirect measures of the variables. For example, the erroneous tentative nonconfirmation rate for all work-authorized workers verified

cannot be measured directly, since the evaluation team has no way to determine accurately which employees are work-authorized. Instead, the erroneous tentative nonconfirmation rate for employees found to be work-authorized at any stage of the verification process is used as an indicator of the desired rate, even though this rate is lower than the desired rate. Model-based estimates and indicators should be viewed as rough estimates of information that cannot be directly measured.

C.   WAS THE WEB BASIC PILOT PROGRAM IMPLEMENTATION CONSISTENT WITH STAKEHOLDER EXPECTATIONS?

1.   BACKGROUND

To answer the process evaluation questions in this section, it is necessary to have an understanding of what the system outcomes were. Exhibit 1 shows the frequency of the case outcomes from June 2004 through March 2007. During this time, employers made almost 3.5 million verification attempts, 84 percent of which were for workers verified by SSA as being work-authorized. Another 9 percent of the cases were verified by USCIS as being individuals authorized to work. Seven percent of all verification attempts were never resolved (labeled "Final nonconfirmation by SSA" or "Final nonconfirmation by USCIS"). For these cases, tentative nonconfirmation responses from SSA or USCIS were not contested, either because the employees decided not to contest or because their employers did not follow the proper notification procedures. In addition, about 0.2 percent (7,636 cases) were found by USCIS to be unauthorized to work in the United States.

Exhibit 1: Overall Finding of Outcomes from the Web Basic Pilot Program
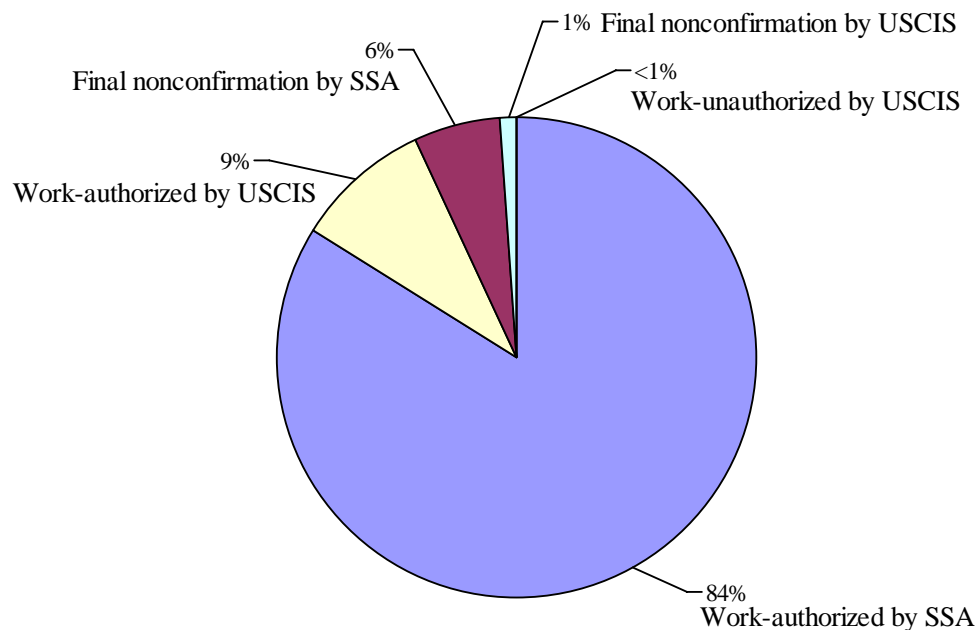
SOURCE: Web Basic Pilot Transaction Database: June 2004-March 2007

2. HOW WELL DID THE FEDERAL GOVERNMENT DESIGN AND IMPLEMENT THE WEB BASIC PILOT?

The key implementation findings related to the Federal government's design and implementation of the Web Basic Pilot program are as follows:

- The Web Basic Pilot instantly verified the work-authorization status of employees more frequently than did the original Basic Pilot program. From June 2004 through March 2007, 92 percent of cases were initially found to be work-authorized, compared to 79 percent in the original Basic Pilot.[4]

- The accuracy of the USCIS database used for verification has improved substantially since the start of the Basic Pilot program. However, further improvements are needed, especially if the Web Basic Pilot becomes a mandated national program – improvements that USCIS personnel report are currently underway. Most importantly, the database used for verification is still not sufficiently up to date to meet the IIRIRA requirement for accurate verification, especially for naturalized citizens. USCIS and SSA accommodate this problem by providing for a manual review of these cases. This review is time consuming and can result in discrimination against work-authorized foreign-born persons during the period that the verification is ongoing, if employers do not follow procedures designed to protect employee rights.

- Although the Web Basic Pilot software includes a number of new editing features designed to reduce employer data entry errors, there is opportunity for further improvements in the edit checks and in encouraging employers to double-check their data entry prior to submitting data to the system. However, it must be recognized that employee and employer data entry errors cannot be completely eliminated, and the program must address the best way of handling such errors when they do occur.

- The technical changes made in the Web Basic Pilot appear to have reduced employer burden and improved employer satisfaction. Employers expressed satisfaction with many aspects of the new features of the Web Basic Pilot. For example, almost all employers reported that the on-line registration process was easy to complete and that the on-line tutorial adequately prepared them to use the system. Furthermore, a large majority of the long-term employers surveyed (88 percent) that have had experience with both the original Basic Pilot and the Web Basic Pilot reported that the benefits of the Web Basic Pilot verification system are greater than those of the original Basic Pilot.

- Although the number of employers using the pilot program and the number of transactions transmitted to the system have increased since the original Basic Pilot evaluation, most U.S. employers have not volunteered to use the pilot program

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[4] These percentages differ from data reported by USCIS because cases closed in error and other queries identified as duplicates have been deleted.

and some that have signed up for it have never used it, placing limitations on its effectiveness in preventing unauthorized employment on a national basis.

- Most employers using the Web Basic Pilot found it to be an effective and reliable tool for employment verification and indicated that the Web Basic Pilot was not burdensome. However, a few employers reported experiencing some difficulties with the Web Basic Pilot, such as unavailability of the system during certain times, problems accessing the system, or training new staff to do verifications using the system.

- Some employers believe that they lose their training investment as a result of electronic employment verification through the Web Basic Pilot process, because they are not allowed to take adverse actions against employees while the employees are contesting the tentative nonconfirmation finding or because they have to terminate employees whose work authorization cannot be confirmed.

- Some employers have terminated their use of the Basic Pilot system or have not used it after signing the MOU because of the burden they perceive to be imposed by the program.

3. **IS ELECTRONIC EMPLOYMENT VERIFICATION THROUGH THE WEB BASIC PILOT WORKING BETTER THAN WHEN THE ORIGINAL BASIC PILOT EVALUATION WAS CONDUCTED?**

Major findings about how well the Web Basic Pilot is working compared to the original Basic Pilot include the following:

- As expected, the Web Basic Pilot was considerably less expensive for employers to set up and operate than the original Basic Pilot program.

- Training materials and requirements to pass the tutorial were also improved from those in the original Basic Pilot. However, additional changes to the tutorial could potentially further improve its effectiveness.

4. **HAVE EMPLOYERS GENERALLY COMPLIED WITH WEB BASIC PILOT REQUIREMENTS?**

Major findings about employer compliance with the Web Basic Pilot include the following:

- The Web Basic Pilot changes appear to have increased employer compliance with program procedures compared to the original Basic Pilot program. However, the rate of employer noncompliance is still substantial, which decreases the ability of the program to reduce unauthorized employment and diminishes the effectiveness of safeguards designed to protect the rights of work-authorized employees who obtain erroneous tentative nonconfirmations. Since work-authorized foreign-born employees are more likely than U.S.-born employees to receive tentative

nonconfirmation erroneously, the result is increased discrimination against foreign-born employees. The more serious types of noncompliance include the following:

- Not all employers followed Web Basic Pilot procedures with respect to training employees on the Web Basic Pilot system, increasing the likelihood of more serious forms of noncompliance with pilot procedures. This occurs when staff responsible for verifications circumvent the tutorial by assuming another employee's user identification information.

- Some employers used the Web Basic Pilot to screen job applicants. This activity is prohibited by statute, at least in part due to a concern that employers would fail to hire employees receiving erroneous tentative nonconfirmations, thereby discriminating against foreign-born employees. However, some employers that prescreen do allow job applicants the opportunity to contest tentative nonconfirmations, partially mitigating the seriousness of prescreening.[5]

- Employers do not always follow the legal requirement to promptly terminate the employment of employees receiving final nonconfirmation findings.

- Some employers did not notify employees of tentative nonconfirmation findings at all, did not notify employees in writing, or did not explain the process adequately to their employees, thereby making it difficult or impossible for employees to contest the finding and denying them their rights.

- Some employers encouraged employees they believed not to be work-authorized to say they would contest a tentative nonconfirmation so they could extend the length of time they worked.

- There was evidence that a small number of Web Basic Pilot employers discouraged employees with tentative nonconfirmations from contesting, which may result in work-authorized employees unfairly losing their jobs.

- Some employers took prohibited adverse actions against employees while they were contesting tentative nonconfirmation findings. These actions included restricting work assignments, delaying training, reducing pay, or requiring them to work longer hours or in poor conditions. In the case of employers screening job applicants, delays in hiring may occur.

- Employers did not consistently post the Web Basic Pilot notice, as required, in an area where it is likely to be noticed by job applicants.

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[5] Even when job applicants are notified of their rights to appeal, applicants wishing to contest tentative nonconfirmations may well experience consequences during the contesting period if they are not permitted to work during this time, while other applicants are hired immediately.

- It was not unusual for employers to fail to adhere to some procedural requirements, such as the requirement to enter closure codes. While this had little direct impact on employees, it dilutes the effectiveness of the transaction data for evaluation and monitoring purposes.

D. DID THE WEB BASIC PILOT ACHIEVE ITS PRIMARY POLICY GOALS?

1. BACKGROUND

To understand the policy implications of the Web Basic Pilot program, it is helpful to understand the program's expected effects on unauthorized employment and discrimination from the viewpoint of the IIRIRA pilot program designers.

a. *UNAUTHORIZED EMPLOYMENT*

The Web Basic Pilot is designed to be more effective than the paper Form I-9 process in deterring unauthorized employment. For instance, it detects counterfeit fraud in which the employee's documents contain fictitious information. However, the current Web Basic Pilot cannot substantially improve employers' ability to detect fraud when borrowed or stolen documents with information that could reasonably appear to be related to the worker presenting them are used to prove work authorization nor when employers do not check work-authorization documents carefully, either by design or because of lax procedures. It also cannot detect counterfeit documents that contain information about work-authorized persons.[6] Thus, the Web Basic Pilot program should decrease the ease with which noncitizens without work authorization can obtain employment but as currently designed will not eliminate the employment of such workers.

b. *DISCRIMINATION*

In this document, discrimination is defined as adverse treatment of individuals based on group identity. In employment, discrimination refers to differential treatment based on characteristics, such as citizenship or ethnicity, that are unrelated to productivity or performance. Discrimination can occur because employers intentionally treat members of a group protected by law differently than others. However, it can also occur unintentionally if employers' actions have a disparate impact on protected group members.

Compared to the Basic Pilot program, the Web Basic Pilot could potentially result in less discrimination associated with tentative nonconfirmations issued to work-authorized employees because of improvements in the tutorial and information resources available over the Web that are designed to ensure that employers understand their responsibilities. Furthermore, the edit checks included in the system should reduce data entry errors that would have otherwise led to tentative nonconfirmations, decreasing the rate of erroneous tentative nonconfirmations.

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[6] USCIS is currently running a pilot Photo Screening Tool designed to increase the Web Basic Pilot's potential to detect counterfeit documents that contain valid information about work-authorized persons.

2. **WHAT HAS THE IMPACT OF THE WEB BASIC PILOT PROGRAM BEEN ON THE EMPLOYMENT OF UNAUTHORIZED WORKERS?**

The major evaluation findings about the impact of the Web Basic Pilot on unauthorized employment are as follows:

- The evaluation team estimates that approximately 5 percent of employees verified through the Web Basic Pilot program in the first half of fiscal year (FY) 2007 were employees without work authorization who were either found to be not work-authorized or received a final nonconfirmation. When the employment of these employees is terminated, as required by law, the employment of employees without work authorization at participating employers is reduced.

- The fact that most employers do not currently use the Web Basic Pilot program diminishes the effectiveness of the program because employees found to be without work authorization can seek employment with non-pilot employers. Currently, it is estimated that no more than 4 percent of newly hired workers are being verified with the system.

3. **IS THE WEB BASIC PILOT PROGRAM PROTECTING AGAINST VERIFICATION-RELATED DISCRIMINATION?**

The major evaluation findings about the impact of the Web Basic Pilot on verification-related discrimination are as follows:

- Although most Web Basic Pilot users reported that the Web Basic Pilot made them neither more nor less willing to hire immigrants, the percentage of employers that said they were more willing to hire immigrants was greater than the percentage saying it made them less willing, presumably leading to a net decrease in hiring discrimination against immigrants.

- As anticipated by immigrant rights advocates, foreign-born work-authorized employees are more likely to receive tentative nonconfirmations than are U.S.-born employees, thereby subjecting a greater percentage of foreign-born work-authorized employees to potential harm arising from the Web Basic Pilot process. For U.S.-born employees authorized at some point during the verification process, 0.1 percent received tentative nonconfirmations prior to verification; for foreign-born employees, the rate was 3.0 percent.

- Foreign-born U.S. citizens are considerably more likely to receive erroneous tentative nonconfirmations than are work-authorized foreign-born persons who have not become U.S. citizens. Among foreign-born employees verified by the Web Basic Pilot in October 2006 through March 2007, the percentage of ever-authorized employees found to be work-authorized after a tentative nonconfirmation was 1.4 percent for noncitizens compared to 9.8 percent for

naturalized citizens.[7] Reducing the erroneous tentative nonconfirmation rate for naturalized citizens will take considerable time and will require better data collection and data sharing between SSA, USCIS, and the U.S. Department of State than is currently the case.

- Tentative nonconfirmations have negative consequences for work-authorized employees for two reasons. First, there are very real costs and burdens associated with adverse actions that some employers take against employees receiving tentative nonconfirmations, even though such adverse actions are prohibited by statute. Second, there are burdens such as lost pay associated with visiting an SSA office and, generally to a lesser extent, contacting USCIS.

4. HOW WELL IS THE WEB BASIC PILOT PROGRAM DOING IN SAFEGUARDING PRIVACY?

The major evaluation findings about the impact of the Web Basic Pilot on privacy are as follows:

- There is little increased risk of misuse of Web Basic Pilot information by Federal employees.

- One possible weakness of the system is that under current procedures employers joining the Web Basic Pilot are not verified against any type of listing of employers; therefore, anyone wanting access to the system could pose as an employer and get access to the system by signing an MOU. While there is no evidence that this has happened, SSA experience with the Social Security Number Verification Service program, which permits employers to verify the validity of their employees' Social Security numbers, suggests that it is a very real possibility, particularly as more employers join the program.

- Employers did not consistently convey information about Web Basic Pilot tentative nonconfirmations to employees in a private setting.

5. DOES THE WEB BASIC PILOT PROGRAM AVOID UNDUE EMPLOYER BURDEN?

The majority of employers reported that they spent $100 or less in initial set-up costs for the Web Basic Pilot and a similar amount annually for operating the system. These costs

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[7] These figures underestimate the total erroneous tentative nonconfirmation rates because tentative nonconfirmations for work-authorized workers who do not contest the tentative nonconfirmation are not included, since there is not an easy way to identify these workers. Using a model-based estimate for the percentage of final nonconfirmation cases that would have been found work-authorized if all final nonconfirmation cases had been resolved, the erroneous tentative nonconfirmation rate for all workers was estimated to be 0.81 percent compared to the erroneous tentative nonconfirmation rate for ever-authorized employees of 0.53 percent for October 2006 to March 2007. Unfortunately, there is no available information on the place of birth and citizenship status for many of the persons with tentative nonconfirmations, making it difficult to estimate the percentage not work-authorized by place of birth and citizenship status.

were considerably below those for the original Basic Pilot. Furthermore, as discussed above, most employers were satisfied with the program and reported that the benefits of using the Web Basic Pilot outweighed its disadvantages.

E.   WHAT HAVE BEEN THE IMPACTS OF CHANGES TO THE WEB BASIC PILOT SINCE ITS INCEPTION?

1.   BACKGROUND

The Web Basic Pilot Program is not a static system. SSA and USCIS have made a number of changes to the program between its inception in June 2004 and the present time. Other changes in the program have occurred because of factors outside the program itself. It is, therefore, of interest to examine trends in the Web Basic Pilot program and its outcomes since its implementation in June 2004.

2.   PROGRAM USAGE

The Web Basic Pilot has grown dramatically since its inception. The number of employers transmitting cases grew from 1,533 during the first half of FY2005 to 5,689 in the first half of FY2007. The percentage of verifications has grown even more rapidly, reaching over 1 million by the first half of FY2007. However, no more than 4 percent of newly hired U.S. workers were verified using the Web Basic Pilot during the first half of FY2005.

3.   CHARACTERISTICS OF EMPLOYERS USING THE PROGRAM AND PERSONS BEING VERIFIED

Generally, the employers using the Web Basic Pilot are now more similar to their national counterparts in terms of industry, size, geographic location, and percentage of immigrants than at the beginning of the Web Basic Pilot program. Similarly, the characteristics of persons being verified are more similar. One significant exception to this rule is that the percentage of employers in employment services and the percentage of workers verified by employers providing employment services have become increasingly different from the national numbers. In the first half of FY2007, 50 percent of verifications were done by employers engaged in employment services compared to 3.1 percent of newly hired workers. During this same period, the percentage of employers engaged in employment services rose from 24.7 percent in the first part of FY2005 to 35.5 in the first half of FY2007.

4.   CHANGES IN DATA ACCURACY

On October 21, 2005, procedures for verifying noncitizens in the Web Basic Pilot Program were changed. Under these changed procedures, all noncitizen cases are referred to USCIS if the information on their name and date of birth is consistent with the Social Security number in SSA's records. Prior to the change, SSA was able to confirm work authorization for noncitizens when their records indicated that the noncitizen had permanent work authorization. These changes appear to have resulted in a desired

increase in the Basic Pilot's ability to detect employees without work authorization but also led to an undesired increase in the erroneous tentative nonconfirmation rate for noncitizens.

The overall erroneous tentative nonconfirmation rate for ever-authorized employees has declined. However, large differences in the error rates for U.S.-born and foreign-born employees remain. Furthermore, foreign-born citizens are more likely than noncitizens to have erroneous tentative nonconfirmations.

Similarly, the overall percentage of cases authorized automatically has increased over time. Yet, there are significantly different rates between noncitizen cases and citizen cases. On average, 96 percent of employees attesting to being U.S. citizens were found to be work-authorized automatically, while, on average, 72 percent of cases in which the employee attested to being a lawful permanent resident and 63 percent of cases in which the employee attested to being an alien authorized to work were authorized automatically.

Although the trend for the percentage of workers authorized automatically has been increasing and the trend for the erroneous tentative nonconfirmation rate has been decreasing since the inception of the program, a substantial part of this change appears to be attributable to changes in the characteristics of employees being verified. Examination of differences between the workers verified in the Web Basic Pilot program and the characteristics of newly hired workers nationally indicates that employees currently being verified have become considerably more like newly hired workers nationally. This suggests that future changes in the characteristics of workers verified will not result in further significant improvements in the trends in workers authorized automatically and erroneous tentative nonconfirmations without continuing programmatic improvements.

5. CHANGES IN EMPLOYER SATISFACTION AND COMPLIANCE

The data from the employer surveys indicated that satisfaction and compliance levels were lower among recently enrolled users than among long-term users. It appears that at least part of these differences can be attributed to the changing characteristics of employers signing up for the Web Basic Pilot program. As the program expands and Web Basic Pilot employers become increasingly like the national population of employers, it appears likely that these downward trends in satisfaction and compliance will continue unless counteracted by other program changes.

F. RECOMMENDATIONS FOR IMPROVING THE WEB BASIC PILOT PROGRAM

Recommendations for improving the Web Basic Pilot are divided into categories, and the primary recommendations for each category are presented below.

Address the high tentative nonconfirmation rate for foreign-born U.S. citizens by:

- Improving the interface between USCIS and SSA databases to more easily share information on naturalized citizens already on the USCIS databases, as well as information about new citizens in the future.

- Collecting Social Security numbers for all persons at the time they apply for naturalization, including children who derive citizenship from their parents' naturalization.

- Obtaining citizenship information from the U.S. Department of State's Passport Agency when it first documents that a foreign-born person has derived U.S. citizenship.

- Updating USCIS electronic records to reflect U.S. citizenship status by inputting pre-1996 naturalization and citizenship information, as well as Social Security numbers available in retired paper Alien files, and then sharing the information with SSA.

- Modifying the tentative nonconfirmation procedures to allow employees receiving initial SSA tentative nonconfirmations because their citizenship status could not be verified to provide their prior Alien numbers so that USCIS records can be checked.

- Implementing outreach efforts to encourage naturalized citizens to notify SSA of their change in citizenship status.

Continue exploration of ways to decrease identity fraud by:

- Determining how photographs, fingerprints, or other biometric checks can be incorporated into the Web Basic Pilot system for *all* employees.

- Balancing an improved ability to deter unauthorized employment against the potentially undesirable impacts of such a program, including increased discrimination and privacy violations.

Consider legislative changes to:

- Extend the time to enter information for new employees.

- Modify procedures related to prescreening by implementing one of the following options:

  - Allowing prescreening;

  - Defining "hire" to mean job offer (or offer and acceptance) and allowing employers to delay the start of work until after verification is completed; or

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- *Requiring* employers to delay the start of work until after verification is completed.

- Alter the Web Basic Pilot program to expedite the tentative nonconfirmation process when Social Security numbers likely to be fraudulent are identified.

- Permit employers to verify employees with documents that are expected to expire shortly.

Make the following system changes:

- Institute a process through which tentative nonconfirmations resulting from SSA mismatches are controlled through an automated SSA system similar to that used by USCIS.

- Further automate the USCIS verification process by:

  - Automating as much as possible the work done by ISVs to manually check databases other than the Verification Information System at the second stage; and

  - Modifying software used to generate case lists for ISVs to delete duplicate cases, to the extent feasible.

- Modify the transaction database to capture additional information needed for evaluation and monitoring, such as information about appeals of final nonconfirmations and additional information about the case referral process.

- Modify the algorithm USCIS uses in matching its records to records input by the employer to be consistent with SSA's criteria and move toward a database that can be indexed by Social Security number as well as Alien number.

- Routinely "clean" the transaction database to obtain more meaningful reports for management information and monitoring purposes.

Investigate the following procedural changes:

- To reduce employee burden, consider revising SSA's procedures that require in-person visits to resolve tentative nonconfirmations.

- Continue working on the development and implementation of guidelines that provide specific timeframes for notifying employees of tentative nonconfirmations and for terminating employees subsequent to final nonconfirmation or unauthorized findings.

- Continue implementing plans for a strong monitoring and compliance program to determine whether employers are adhering to Web Basic Pilot procedures. These plans should include using the transaction database to identify employers that are

not properly following Basic Pilot procedures. For example, an unusually large number of queries, given the size, industry, and location of the employer, may indicate that the employer is prescreening job applicants.

- Undertake an outreach program to inform employees of their rights and continue outreach to employers.

Make changes to the tutorial and to employer and employee materials:

- Make employee documents available in multiple languages and as accessible as possible to employees with limited reading skills. In addition to having experts examine the documents and suggest ways to modify them, focus groups or other forms of usability testing should be conducted to ensure the readability of these documents.

- Make additional changes to the tutorial to further improve its effectiveness. For example, periodic retesting and, if needed, refresher training should be used to ensure that the material has not been forgotten and to discourage the observed practice of assuming another user's name and password to avoid the tutorial and Mastery Test. Training modules should also be developed for staff other than system users and administrators, to help prevent violations of program procedures that are the responsibility of staff other than system users.

- Modify the training materials and tutorial to clarify issues, such as the definition of a "new hire," that confused some of the case study employers. USCIS should make usability testing with employers a standard practice before implementing system changes to those aspects of the Web Basic Pilot system used by employers, to ensure that materials are clear to those who will be completing the training and using the system.

- Continue efforts to integrate employers' human resources systems and the Web Basic Pilot system, to minimize duplicate data entry by employers. For instance, the Basic Pilot could be modified to permit employers to include employee identification numbers in their query and to have that identifier returned to them with the case findings.

Conduct additional evaluation research:

- Carefully review and ensure independent evaluation of major procedural changes prior to implementation, based on existing data or a pilot program.

- Continue general Web Basic Pilot evaluation activities, as the program continues to evolve rapidly and not all consequences of modifying the program can be anticipated.

CHAPTER I. BACKGROUND

A.   INTRODUCTION

The Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA), enacted in September 1996, authorized the creation of three small-scale pilot programs to test the feasibility and desirability of electronically verifying the work-authorization status of newly hired employees. Two of these pilot programs have been terminated; however, the third pilot program, referred to as the Basic Pilot, has been expanded in scope and extended until November 2008 by the Basic Pilot Program Extension and Expansion Act of 2003 (Pub. Law 108-156). In June 2004, a Web version of the Basic Pilot program (the Web Basic Pilot) was implemented, incorporating many improvements growing out of experiences with the original Basic Pilot program and evaluations of the pilot programs.

This report presents the results of analyses of data collected for the evaluation of the Web Basic Pilot program.[1] It presents information on how well the program has been implemented and also on the program's success in meeting its goals. Finally, this report discusses changes since the implementation of the Web Basic Pilot program and makes recommendations for future program enhancements. The report's goals are to:

- Determine whether the Web Basic Pilot has resulted in the improvements in the automated employment verification process that it was designed to address;

- Determine whether any unexpected problems arose in the process of implementing the new version of the Basic Pilot program; and

- Investigate further some general questions about automated employment verification programs that were not fully answered in the previous evaluations of the IIRIRA employment pilot programs.

This report includes information recently collected from Federal employees and contractors, Web Basic Pilot employers, employees verified by the Web Basic Pilot, secondary data collected in conjunction with operating the program, and Federal sources providing data about the nation's employers and employees. It also draws heavily on the results of the original Basic Pilot evaluation that were reported in the *INS Basic Pilot Evaluation Summary Report* (January 2002)[2] and on subsequent evaluation activities related to the IIRIRA pilot programs. This report expands upon and replaces the Interim Report to the U.S. Citizenship and Immigration Service (USCIS) that was dated December 2006.

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[1] The name for the Web Basic Pilot recently changed to E-Verify. It was known as the Basic Pilot program during the time the evaluation took place, and many users still think of it as the Basic Pilot. To avoid confusion, this report refers to the current program as the Web Basic Pilot, and the earlier, modem-based program as the original Basic Pilot program. References to the Basic Pilot program apply to both programs.

[2] For a copy of this report or the Supplemental Materials, go to http://www.uscis.gov, select "About USCIS" (at the top of the page), and then select "Reports and Studies" on the left hand side of the page.

B. LEGISLATIVE BACKGROUND

1. ENACTMENT OF EMPLOYER SANCTIONS AND WORKSITE VERIFICATION

Congress passed employer sanctions legislation in late 1986 as part of the Immigration Reform and Control Act (IRCA) of 1986. This legislation made it unlawful for U.S. employers to hire or continue to employ workers without authorization to work in the United States. IRCA was passed in response to increases in undocumented immigration and recommendations by a series of congressional and Executive Branch task forces and commissions – ranging from the small, bilateral Special Study Group on Illegal Immigrants from Mexico (1973) to the blue-ribbon Select Commission on Immigration and Refugee Policy (1981).

From the outset, employer sanctions legislation was controversial. Concerns about the legislation included whether it would be effective in reducing unauthorized employment, given the difficulty in verifying identity and work authorization, and whether the process would result in increased discrimination against work-authorized persons who appeared or sounded foreign. Additional concerns were expressed about the potential for privacy violations and whether it would be unduly burdensome for employers, employees, and the Federal government. Many of the groups studying these issues recommended ways of administering employer sanctions and accompanying work-authorization verification that would minimize fraud and employer burden, protect privacy, and be nondiscriminatory.

2. EMPLOYMENT VERIFICATION AND CIVIL RIGHTS PROTECTIONS

In addition to instituting employer sanctions, IRCA prohibited discrimination on the basis of national origin or citizenship status. A new agency, the Office of Special Counsel for Immigration-Related Unfair Employment Practices, was established in the Department of Justice to enforce this provision.

IRCA also required that the Immigration and Naturalization Service (INS) develop and implement an employment verification system for all newly hired employees.[3] The universal employment verification system specified in IRCA is a paper-based system (implemented by INS as Form I-9) that requires all newly hired employees to attest to being a U.S. citizen or national, a lawful permanent resident, or other work-authorized noncitizen. The system also requires employees to present documentation establishing their identity and work authorization. Employers are required to examine this documentation and attest that it appears to be genuine and to relate to the employee. See Appendix A for a copy of Form I-9 and lists of acceptable documents.

Acknowledging that there were likely to be better verification systems than the one specified in IRCA, Congress authorized the Executive Branch to develop demonstration

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[3] The IIRIRA pilot programs and the original evaluations of them were conducted under the auspices of INS within the Department of Justice. On March 1, 2003, parts of INS were incorporated into USCIS within the Department of Homeland Security (DHS). In this report, reference will be made to INS when discussing events that occurred prior to March 1. Reference to USCIS or DHS will be made when talking about the present and the future.

tests of alternative employment verification systems. Such systems had to be reliable, secure, and limited to use for employment eligibility verification and could not include the use of a national identity document. Specific additional requirements were levied before such a system could be implemented.

IRCA also required INS to establish a program to verify the immigration status of noncitizens for certain benefit and entitlement programs. The established program, known as Systematic Alien Verification for Entitlements (SAVE), includes an automated match of applicant information against a special extract of the INS database created for this purpose.

3. GOVERNMENT REPORTS RELATED TO EMPLOYER SANCTIONS AND WORKSITE VERIFICATION

Because of the concern over unintended impacts, many prominent groups studied the implementation of employer sanctions. One major concern was that the widespread availability of fraudulent documents made it easy for undocumented workers to convince employers that they were authorized to work. This situation limited the potential effectiveness of IRCA. Other concerns focused on whether work-authorized employees would experience discrimination or incur violations of their privacy rights.

Most prominent among such studies are the three IRCA-mandated reports by the General Accounting Office (GAO). In its second report to Congress in November 1988, GAO reported that the greatest threats to document security appeared to be the Social Security card and the INS Alien Registration Card, the so-called "green card" issued to permanent residents. At the time of that study, some 17 valid versions of the green card were in use, most of which were easily counterfeited.

In its final report to Congress in 1990, GAO found that the implementation of employer sanctions had resulted in a widespread pattern of discrimination against work-authorized employees. GAO noted that employers' uncertainty over the sheer number of documents and the ease of counterfeiting documents used in the verification process contributed to the pattern of discrimination it found. Instead of repealing employer sanctions, GAO recommended mitigating confusion by increasing employer education and reducing the number of acceptable documents, making them more secure, and requiring all members of the workforce to use the more secure documents.[4] GAO also summarized the pros and cons of alternative verification procedures.

The GAO findings triggered further inquiry on possible employment verification systems, documentary requirements, and the discriminatory and other possible negative impacts of employer sanctions and employment verification. These studies were undertaken by a wide range of Federal government agencies, States and localities with sizeable foreign-born populations, and private organizations such as the Urban Institute

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[4] By recommending that this provision apply to all members of the workforce, GAO meant that counterfeit-resistant documents should not be issued only prospectively. If such an alternative were accepted, the document would be reissued to all persons then holding it, as well as to all future applicants.

and RAND. Although some studies called for the repeal of employer sanctions, others found that the problems could largely be remedied by simplifying and clarifying the Form I-9 employment verification system. Some commentators considered a single secure identifier, such as a prevalidated driver's license/nondriver identification card, as the means of verifying work authorization to be an attractive option worth testing on a pilot or demonstration project basis.

In November 1988, the Social Security Administration (SSA) issued another IRCA-mandated report, *A Social Security Number Validation System: Feasibility, Costs, and Privacy Considerations.* This report found that although a system to verify Social Security numbers with SSA by telephone, for instance, is technically feasible, it has limited utility in deterring unauthorized employment. Although the system would identify never-issued numbers, cards issued for nonwork purposes, and numbers issued to persons who were deceased, it could not ensure that the bearer of the card was the person to whom it had been issued. The report instead proposed a system based on State-issued driver's licenses and nondriver identification cards, where identity could be better established.

SSA noted in its report that some 26 States were already validating birth certificate information for driver's license applicants and that SSA could increase the security of information for States by prevalidating Social Security numbers electronically, a process already included by 29 States as a part of their license requirements. SSA noted that driver's licenses generally include photographs and physical descriptions of the bearer and are reissued every few years, thus enhancing their likeness to the bearer and the document's overall integrity. Such a system, SSA argued, would not only establish a card linking the Social Security number with a photograph and other identifying data, it would reduce the agency's workload and costs significantly by eliminating the need to verify Social Security numbers for employers every time a person is hired.

Because State-issued driver's licenses, nondriver identification cards, and birth certificates were frequently used to document identity and U.S. citizenship in the employment verification process, in 1989 Congress mandated that the Attorney General review State initiatives to reduce the fraudulent production, issuance, and use of these documents.[5] In response to this mandate, in November 1992 INS issued its *Report on the Security of State-Issued Documents*.

The report found the security of the State driver's licensing processes to be generally far superior to that for birth certificates. INS reported that States were "generally using secure paper stock, lamination, and related security features to prevent counterfeiting and alteration" of driver's licenses.[6] Moreover, the report found that States were incrementally applying technology to make driver's licenses more fraud-resistant and that changes to licenses were typically implemented simultaneously on a statewide basis, thus reducing the number of versions of valid cards in circulation at a time.

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[5] Section 5 of the Nursing Relief Act of 1989, Pub. Law 101-238.

[6] U.S. Immigration and Naturalization Service. (1992). *Report on the Security of State-Issued Documents*. Washington, DC.

However, the report found that time and funding limitations affected the security of the issuance process. For instance, it reported that Department of Motor Vehicles personnel had limited time and training to determine the authenticity of the documents presented as proof of identity in the licensing process. Thus, unauthorized workers could use counterfeit documents (often referred to as breeder documents) to obtain driver's licenses.

The Immigration Act of 1990 established the Commission on Immigration Reform, which continued the study of employment verification. In 1994, the Commission recommended testing a national registry-type system under which all newly hired workers, citizen and noncitizen alike, would be electronically verified for employment authorization through a unified database comprised of SSA and INS information. It recommended that the President test and evaluate a series of pilot programs using different approaches to provide information needed to assess the advantages, disadvantages, and costs of these approaches; the availability and quality of data; and the impacts on civil rights and liberties. Suggested approaches included a more secure Social Security card, a counterfeit-resistant driver's license, and a telephone/electronic verification system.

Legislative debate ensued to consider the Commission's recommendations and to gain greater control over undocumented immigration. Although the design of the SSA and INS databases precluded easy development of the single national registry database the Commission recommended, the two agencies believed they could develop a small-scale voluntary pilot program using separate checks of their databases. After considering a number of comprehensive immigration reform bills that included electronic employment verification programs, Congress passed IIRIRA, which provided for small-scale testing, evaluation, and reporting on three voluntary pilot programs before a national system would be considered. Testing on a pilot basis was considered important because of the limitations of Federal data for verification purposes, the potential for workplace discrimination and privacy violations, and practical logistical considerations about larger scale implementation.

The Basic Pilot Extension Act of 2001, passed in January 2002, extended the authorization of the Basic Pilot program for an additional 2 years. The Basic Pilot Program Extension and Expansion Act of 2003 further extended the authorization for the Basic Pilot program until November 2008. At the same time, it authorized making the program available to employers in all 50 States on a voluntary basis. It also required a report to Congress to determine whether problems identified by earlier evaluations had been resolved.

During the time this report was being written, several bills that would expand the Basic Pilot program and make it mandatory, for at least some employers and employees, have been proposed. They differ in terms of which employers and employees would be included and also in their timetables for implementation. Exhibit I-1 summarizes the relevant laws and their corresponding actions.

Exhibit I-1: Relevant Laws and Their Corresponding Actions

Year	Law	Action
1986	Immigration Reform and Control Act (IRCA)	Established employer sanctions and employee verification and prohibited workplace discrimination on the basis of national origin or citizenship
1990	Immigration Act of 1990	Established the Commission on Immigration Reform, which subsequently recommended increased electronic verification of all newly hired employees
1996	Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA)	Provided for testing, evaluation, and reporting of three voluntary pilot programs involving electronic verification
2002	Basic Pilot Extension Act of 2001	Extended the authorization of the Basic Pilot program for an additional 2 years
2003	Basic Pilot Program Extension and Expansion Act of 2003	Expanded the Basic Pilot program to all 50 States and extended its authorization until November 2008

C. IMPLEMENTATION OF ELECTRONIC VERIFICATION PILOTS PRIOR TO THE WEB BASIC PILOT

1. SETTING THE COURSE THROUGH EARLY PILOT PROGRAMS

The early pilot studies described below were precursors to the IIRIRA pilots and helped create the basic verification procedures, limitations, and safeguards that are currently in use in the pilot programs. The pilots used electronic verification procedures and the SAVE database, called the Alien Status Verification Index (ASVI),[7] developed earlier for this purpose. The ASVI was an extract updated nightly from the INS Central Index System and the Nonimmigrant Information System. At the time it was adopted for the first pilot, the ASVI had already been used by benefit agencies. These pilots did not reduce employer paperwork because the pilot processes were implemented in addition to Form I-9 requirements.

The Telephone Verification System (TVS) Pilot demonstrated the feasibility of verifying the work-authorization status of noncitizen employees by telephone. The TVS was implemented in 1992 for nine volunteer employers located in the five States with the largest estimated populations of undocumented immigrants (California, Florida, Illinois, New York, and Texas). All participating employers signed a Memorandum of Understanding (MOU) describing the responsibilities of the employers and INS under the program.[8] Only employees who attested to being noncitizens on INS Form I-9 were electronically verified in this pilot. The TVS demonstrated the feasibility of telephone verification of employees' work-authorization status using point-of-sale devices.

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[7] The ASVI is now called the Verification Information System (VIS).

[8] See the Supplemental Materials for a copy of the current MOU signed by employers and USCIS.

The Telephone Verification Pilot, Phase II (TVP), tested the impact of noncitizen verification in a defined geographic area. Based on the apparent success of the TVS, INS initiated the TVP in 1995. Participation in the TVP was limited to employers in a limited geographic area in the Los Angeles area. A total of 238 employers volunteered for this pilot, which tested the impact of a pilot in a relatively concentrated geographic area. Participating employers conducted primary verification for newly hired noncitizens using a personal computer (PC) and modem to access the INS database. If secondary verifications were necessary, employers sent copies of employees' immigration documents to INS for further verification. When INS could not determine employees' work-authorization status, the employees were encouraged to visit an INS office within 30 days to resolve the discrepancy.

The Employment Verification Pilot (EVP) tested the verification of the work-authorization status of noncitizens in different environments. The EVP, begun in 1996, expanded upon the TVP by including more than 1,000 employers of varying size and industrial classification throughout the United States. This pilot's strength was that it was tested in many different environments. Additionally, INS automated the formerly paper secondary verification process in the EVP to expedite this portion of the verification process.

The Joint Employment Verification Pilot (JEVP) was the first joint pilot between SSA and INS to verify all newly hired employees. This two-step SSA-INS pilot was developed in response to the Commission on Immigration Reform's recommendation for a national registry system. It departed from the earlier pilot programs by electronically verifying the work-authorization status of all newly hired employees, using both the SSA and INS databases. All newly hired employees were verified through SSA by telephone. When a check of SSA data could not confirm the current work-authorization status of employees attesting to being work-authorized noncitizens, a further check was made through INS using a PC and modem. The two agencies initiated this joint pilot in the Chicago area in July 1997 with 38 employers.

2. THE ORIGINAL IIRIRA PILOTS

As noted above, at the time that the early INS pilots were being tested there was renewed discussion of the desirability of possible modifications of the Form I-9 procedures. In addition to the feasibility of electronic verification, these discussions considered such possibilities as restricting the types of identity and work-authorization documents and improving document security. Civil rights groups, however, remained concerned about the further testing of electronic employment verification systems, the impact of such systems on workplace discrimination, moving to single identity documents, and privacy. IIRIRA, enacted in September 1996, attempted to address these views and the need to test rather than implement a national system when it authorized three pilots: the Basic Pilot, the Citizen Attestation Verification Pilot (CAVP), and the Machine-Readable Document Pilot (MRDP). These pilot programs, as initially authorized and implemented, are summarized in Exhibit I-2.

Exhibit I-2: IIRIRA Pilots as Initially Implemented

Year	IIRIRA Pilot	Location	Location Rationale	Method
1997	Basic Pilot	CA, FL, IL, NY, TX	States with highest undocumented immigration	Electronic verification for both citizens and newly hired noncitizens
1999	Citizen Attestation Verification Pilot (CAVP)	AZ, MD, MA, MI, VA	States not in Basic Pilot but having sizeable undocumented immigrant populations and reasonably secure State-issued identification documents	Electronic verification for newly hired noncitizens only
1999	Machine-Readable Document Pilot (MRDP)	IA	State with machine-readable name, date of birth, and Social Security number on driver's license	Electronic verification for citizens and noncitizens through machine-readable driver's license/nondriver identification card if presented to employer; otherwise, like the Basic Pilot

The Basic Pilot verifies all newly hired employees through SSA and, if necessary, DHS databases. IIRIRA called for the Basic Pilot to be conducted in at least five of the States with the largest estimated populations of undocumented immigrants; California, Florida, Illinois, New York, and Texas were chosen. Nebraska was added in March 1999, and the program was made available to employers in all 50 States and the District of Columbia in 2003. The Basic Pilot, launched in November 1997, was similar to the earlier JEVP. Like JEVP employers, Basic Pilot employers electronically verified the status of all newly hired employees, first with SSA and then, if necessary, separately with USCIS. However, the Form I-9 documentation requirements imposed by IIRIRA are more stringent than those of the JEVP in that they require employees to present an identity document with a photograph.

The first evaluation of the Basic Pilot, reported in June 2002 (*Findings of the Basic Pilot Program Evaluation*), found that the majority of participating employers accepted it as an effective, reliable tool for employment verification. Similarly, the evaluation found that employees had few complaints about the program. However, the evaluation also found evidence of discrimination and privacy violations that were exacerbated by inaccuracies in the Federal databases and the failure of many employers to follow proper procedures outlined in the MOU they had signed.

The Basic Pilot Program Extension and Expansion Act of 2003 (Pub. Law 108-156), a Federal Register notice published on December, 20, 2004, extended the Basic Pilot to November 2008, expanded the Basic Pilot program to all 50 States, and announced that the new Web version of the Basic Pilot would become the sole program in July 2005.

The CAVP required electronic verification only for noncitizens. IIRIRA mandated that this pilot be implemented in at least five States identified as having counterfeit-resistant driver's licenses and nondriver identification cards. The five States selected for the CAVP were Arizona, Maryland, Massachusetts, Michigan, and Virginia. Under the CAVP, which began in May 1999, participating employers electronically verified the work authorization of newly hired employees who attested on Form I-9 to being work-

authorized noncitizens. Employers did not electronically verify the work-authorization status of persons who attested to U.S. citizenship, who were also subject to less stringent document requirements.

The evaluation of the CAVP indicated that while it was less costly than the Basic Pilot program, it was also much less effective in preventing the employment of individuals without work authorization, close to half of whom were falsely attesting to U.S. citizenship. Moreover, the CAVP was found to be more discriminatory than the Basic Pilot program. Since the cost savings were not large, the independent evaluation recommended that the CAVP be discontinued as soon as possible. The CAVP program was terminated in June 2003.

The MRDP was designed to test card swiping technology. The MRDP was identical in most respects to the Basic Pilot program. The primary difference between these two pilots was in the way that employers input and transmitted the employee data that were verified electronically by SSA and INS. In the Basic Pilot program, the employer manually enters all information into a PC. In the MRDP program, the employer was required to input employee information using an MRDP card reader capable of reading information contained in a magnetic stripe on driver's licenses and State-issued nondriver identification cards, if such a document was proffered. If the case had to be referred to INS, the employer was prompted to enter the additional information needed to match employee information against the INS database.

The MRDP was intended to test the feasibility of automating the process of querying the Federal databases in much the same way that stores verify charges for purchases against a credit card company database. This process was seen as potentially less burdensome for employers and also less prone to data entry errors that are inevitable with the manual entry of data.

The MRDP was initiated in June 1999 in Iowa. The restriction of this program to Iowa was necessary because INS determined that Iowa was the only State that issued secure licenses and nondriver identification cards containing Social Security numbers in a machine-readable form. It was expected that when employees presented Iowa licenses and nondriver identification cards, the employer would input employee information by swiping the card through the reader. Since not all employees provided an Iowa driver's license or nondriver identification card, the MRDP also allowed for the employer to input the information manually using Basic Pilot procedures.

During the time the MRDP was in operation, Iowa changed its licensing procedures so that Social Security numbers were no longer required for the driver's license number. This resulted in a system that was no longer consistent with the original criteria for participating in the program. During the time that the system was in place, some employers also expressed practical concerns about using the card reader, citing the impracticality of swiping the driver's license when the verification process was not necessarily conducted in close proximity to where employees provided documentation for the Form I-9. Given these practical problems and the recommendation of the evaluation, the MRDP was also terminated in favor of the Basic Pilot program in May 2003.

D. GOALS AND OBJECTIVES OF THE EVALUATIONS SPECIFIED IN IIRIRA

The IIRIRA legislation required evaluation of the pilot programs implemented. The goals and objectives underlying these evaluations of the IIRIRA pilot programs were articulated, in part, in the legislation. They also reflected input from numerous stakeholder groups interested in the electronic verification of employees. Section 405 of IIRIRA required that the Secretary of Homeland Security submit reports on these programs to the House and Senate Judiciary Committees. These reports had the following purposes:

- To assess the benefits and costs of the pilot programs and the degree to which they assist in the enforcement of employer sanctions;

- To assess the degree of fraudulent attestation of U.S. citizenship; and

- To make recommendations on whether the pilot program should be continued or modified.

The Executive Branch and the many nongovernmental groups interested in employment verification viewed independent evaluation as an essential part of the implementation of the employment verification pilots. In mid-1997, DHS selected two firms – Westat, an employee-owned research corporation located in Rockville, Maryland, and the Institute for Survey Research at Temple University – to conduct an independent evaluation of each of the three IIRIRA pilot programs.

Many groups interested and/or involved in the IIRIRA pilot programs agreed that these evaluations should consider a variety of issues related to the impact of electronic verification of work authorization in the workplace. The programs were to be evaluated against the existing paper Form I-9 process.

The main research questions posed in the IIRIRA pilot evaluations conducted to date ask whether the pilots perform the following:

- Operate as their designers intended (i.e., were they properly implemented);

- Reduce employment of unauthorized workers;

- Reduce discrimination;

- Protect employee civil liberties and privacy; and

- Prevent undue burden on employers.

E.   THE WEB BASIC PILOT

1.   INTRODUCTION

The Web Basic Pilot program is an enhancement of the original Basic Pilot program that uses the Web for interfacing between employers and the automated verification system. Even though this report refers to it as the Web Basic Pilot program, it is not a new pilot program but a version of the Basic Pilot program instituted under IIRIRA. Like the original Basic Pilot program, it verifies all newly hired employees through SSA and, if necessary, DHS databases.

The Web Basic Pilot was first offered to employers as an alternative to the PC-based version of the pilot in June 2004. In July 2005, the Federal government discontinued support of the original Basic Pilot program, so no employers are currently using the original Basic Pilot program. To switch to the new program, employers had to sign a new MOU.

The major differences between the Web Basic Pilot and the original Basic Pilot program are as follows:

- In the Web Basic Pilot, communication between employers and the verification system is conducted over the Web rather than by a modem connection.

- Employers no longer need to install software on their computers to use the program.

- The training materials have been redesigned for the Web, and employer staff are now required to pass a test on the material presented in the training module before being permitted to use the system.

- New edit checks have been added to the system to decrease the number of employer input errors.

The Web Basic Pilot is not a static system; the Federal government has made changes to the system since its introduction in June 2004, often in response to evaluation findings, and continues to plan for additional enhancements. For example, USCIS is currently running a pilot test, the Photo Screening Tool, designed to increase the Web Basic Pilot's potential to detect identity fraud through the use of photographs. If the Photo Screening Tool proves to be useful and is implemented for all employers, it would significantly impact the current program and would need additional evaluation to determine its effect.[9]

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[9] Evaluation of this pilot program is outside the scope of the current evaluation. A priori, the program is likely to decrease unauthorized employment compared to the current system. However, given that noncitizens are the only ones initially asked to present secure documentation, it is also likely to increase discrimination. There is also a burden on the employer associated with finding and inputting the card number, which is not on the Form I-9, and photocopying the documents checked through the system. Thus, it is important that any evaluation look at the tradeoffs between these likely effects.

At the current time, USCIS is planning on mandating that all employers participating in the Web Basic Pilot program use the Photo Screening Tool, starting in the fall of 2007.

The remainder of Section E describes the primary features of the Web Basic Pilot, as it existed at the time this report was prepared.

2. BECOMING A WEB BASIC PILOT PROGRAM EMPLOYER

The first step toward using the Web Basic Pilot system is to register on-line to use the program. During this registration process, the employer prints out a copy of an MOU (see the Supplemental Materials), agreeing to adhere to Basic Pilot requirements.

Once the employer has signed and submitted the MOU electronically,[10] the program administrator must complete an on-line tutorial and pass a Mastery Test before being granted access to the verification system or being able to register additional users. Likewise, any recently enrolled users must complete the tutorial and pass the Mastery Test before their user names and passwords will grant them access to the verification system. The tutorial covers both how to use the on-line verification system and also the employer's responsibilities under the program, including the need to post a notice of participation in the Web Basic Pilot where job applicants can see it and the proper ways of handling possible verification outcomes.

The Mastery Test consists of 21 multiple-choice and true/false questions about the requirements and correct procedures for using the Web Basic Pilot. Users must answer 15 questions correctly (71 percent) to pass the test. Once the Mastery Test has been successfully completed, the employee is granted access to the verification system.

3. DESCRIPTION OF THE WEB BASIC PILOT VERIFICATION PROCESS

a. PAPER FORM I-9 VERIFICATION PROCESS

The starting point for the Web Basic Pilot verification process is the existing paper Form I-9 verification process used by all employers, including those *not* enrolled in the Web Basic Pilot. When employees are hired, they are required to complete Part 1 of the Employment Eligibility Verification Form (Form I-9) and provide the employer with documentation of their identity and work-authorization status. Depending on the employee's status, a wide variety of documents are acceptable for these purposes (see Appendix A).

In Section 1 of Form I-9, the employee records personal information, attests to citizenship status, and signs the form. The employer completes Section 2 of the form, recording the type of documents presented as proof of identity and work authorization and any document expiration dates. After reviewing the documents presented by the employee, the employer records the date of hire. The employer also signs the Form I-9 to certify having examined the documents presented by the employee and having found

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[10] This process recently changed so that the system now accepts electronic signatures rather than requiring the employer to mail or fax a hard copy of the MOU.

them to appear valid and to belong to the person presenting them. Under the Form I-9 process, the verification responsibility rests solely with the employer. Depending on the employer's familiarity with various immigration and other documents and with the detection of fraudulent employment eligibility documents, an employee without work authorization may or may not be denied employment under this system.

b.   WEB BASIC PILOT VERIFICATION PROCESS

The automated verification process in the Web Basic Pilot begins when employers input the Form I-9 information into the computer system. The Form I-9 data entered include the employee's name, date of birth, and Social Security number; citizenship status; Alien or Nonimmigrant Admission Number; the type of document(s) presented with the Form I-9; and any document expiration dates.

Employers participating in the pilot then submit this information electronically to the Federal government over the Internet. The government then determines whether the employees are work-authorized by electronically comparing the employer information with the appropriate government databases.

Immediately after the employer submits information, the SSA database is automatically checked against the employer-input information. If there is a match and the SSA database indicates that the person is a U.S. citizen, the employer is immediately notified that the employee is authorized to work. In this situation, no further effort on the part of Federal staff, employees, or employers is required other than the requirement that employers close these cases and retain the verification information in their files.

If the SSA database does not match the employee information input by the employer, SSA issues a tentative nonconfirmation. If the SSA database information matches the employee information and the employee is identified as a noncitizen on the Form I-9, the Form I-9 information is forwarded to USCIS to determine whether the employee is work-authorized.[11]

If the employee information input by the employer for a case forwarded from SSA to USCIS matches the USCIS Verification Information System (VIS)[12] database and confirms work authorization, the employer is immediately notified that the employee is work-authorized. If the match does not result in a confirmation of work authorization, a "case in continuance" result is issued to the employer, and the case is automatically sent to an Immigration Status Verifier (ISV). The ISV searches other electronic information available at USCIS and, if necessary, examines hard-copy records to determine whether work-authorization status can be confirmed. USCIS reports that this process typically takes less than a day from receipt of the electronic information to a decision being made on whether USCIS can confirm work-authorization status without requiring employee

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[11] Prior to October 21, 2005, SSA also notified employers that the employee was work-authorized if the person claimed to be a noncitizen and the SSA database indicated that the employee was a legal permanent resident, refugee, or asylee.

[12] VIS replaced the ASVI database previously used for verifying queries.

action. If the ISV can confirm work-authorization status, the work-authorization finding is issued. If the ISV does not have sufficient information to confirm work-authorization status, a tentative nonconfirmation is issued.

The electronic match of the Form I-9 information to the Federal databases usually results in an instantaneous response that employees are "employment authorized." Employers are then required to record the verification number and result on the Form I-9, or print a copy of the transaction record and retain it with the Form I-9.

When the SSA or USCIS records are not sufficient to verify that the employee is work-authorized, the pilot system issues "tentative nonconfirmation" findings. At that point, employers are required to provide affected employees with system-generated written notification of the findings and their right to contest the findings, if they wish to do so. Employees are required to indicate whether they wish to contest tentative nonconfirmation findings.

When employees say they wish to contest tentative nonconfirmations, employers are instructed to (1) provide them with a written referral to SSA or USCIS, as appropriate, to correct the discrepancy and (2) record the referral date on the Web Basic Pilot database. The Web Basic Pilot system provides a referral form that explains the employee's rights and responsibilities during the resolution period. Employees must contact SSA or USCIS within the allotted period of 8 Federal working days from the date of referral. While the case is being contested, employers may not take adverse actions against employees based on the issuance of the tentative nonconfirmation.

If employees say they do not wish to contest the finding, or if they say they want to contest but do not follow through by correcting the discrepancy in their records with SSA or USCIS, their cases are classified as final nonconfirmation cases. The employer is then supposed to terminate the employment of those employees who receive final nonconfirmations.

For SSA tentative nonconfirmations: If employees go to an SSA office and straighten out their records within the designated time (8 Federal working days), employers are required to reverify the employees through the Web Basic Pilot system. Normally, the employee will be instantaneously verified. If the employer resubmits the case after the 10 Federal working days allowed for final processing of the case and the employee has not successfully resolved the case, the system will return a final nonconfirmation finding. To comply with the law, employers then must terminate their employment, unless SSA calls the employer to say the case is in continuance (for instance, to request verification of a birth certificate from a State).

For USCIS tentative nonconfirmations: If employees contact USCIS by fax, by telephone, or in person to straighten out their records within 8 Federal working days, USCIS will determine whether the employee is work-authorized and will input the finding into the Web Basic Pilot database. If employees do not contact USCIS and

provide the required information within 8 Federal working days, the Web Basic Pilot system returns a final nonconfirmation finding after 10 Federal working days.[13]

The major steps of the Web Basic Pilot verification process are illustrated in Exhibits I-3 and I-4.[14] The procedures described were current at the time this report was written.

Exhibit I-3: Verification Process for Persons Attesting to Being U.S. Citizens on Form I-9

Employer enters new employee Form I-9 data. → Information is compared with SSA database

- Matched → Verified? — Yes → Authorized
  - No ↓
- Not matched → Tentative nonconfirmation issued

Tentative nonconfirmation issued → Employee contests finding?
- Yes → Information is compared with SSA database
  - Matched → Verified?
    - Yes → Authorized
    - No → Final nonconfirmation by SSA
  - Not matched → Final nonconfirmation by SSA
- No → Final nonconfirmation by SSA

NOTE: This is the process in effect on June 1, 2007.

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[13] Although employees are given 8 Federal working days to resolve tentative nonconfirmations, in accordance with the IIRIRA legislation, employees who contact USCIS prior to the issuance of the final nonconfirmation finding may be able to resolve their cases.

[14] The process described assumes that employers follow the Basic Pilot procedures.

Exhibit I-4: Verification Process for Persons Attesting to Being Noncitizens on Form I-9
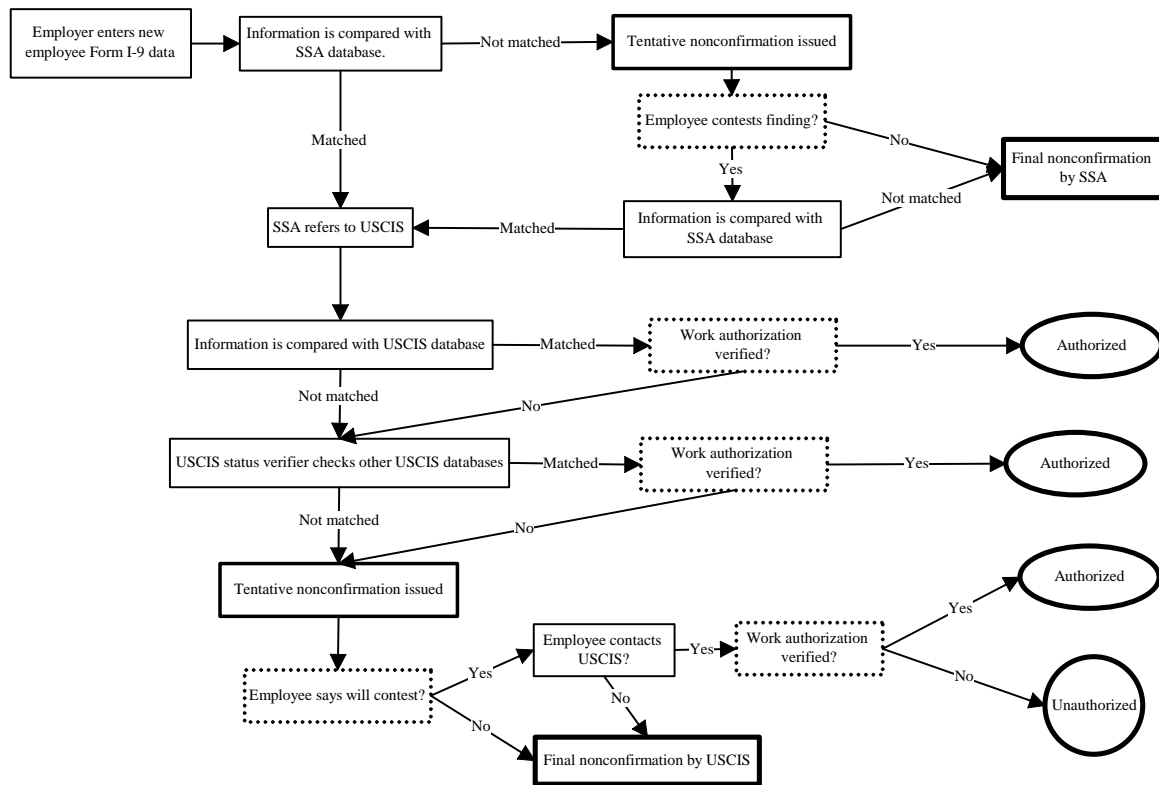
NOTE: This is the process in effect on June 1, 2007.

c. *TYPES OF EMPLOYERS USING THE WEB BASIC PILOT*

One important point that must be kept in mind in evaluating the Web Basic Pilot program is that these employers and their employees are not necessarily representative of all employers. For example, the initial implementation of the program in a limited number of States has had an impact on the regional distribution of employers. Likewise, the voluntary nature of the program has meant that the characteristics of participants are likely to be affected by factors that impact the perceived usefulness of the program. Chapter V includes descriptions of the differences between the Web Basic Pilot employers and all employers in the United States, along with a discussion of trends.

F. RESEARCH QUESTIONS TO BE DISCUSSED IN THE REPORT

The Basic Pilot Program Extension and Expansion Act of 2003 did not explicitly require additional evaluation of the Basic Pilot program. However, USCIS decided that independent evaluation was critical to informing the proper implementation of a national electronic employment verification program anticipated in a number of administrative and legislative initiatives. The earlier evaluations of the IIRIRA pilot programs were not considered adequate for this purpose in light of the numerous modifications of the

original Basic Pilot program incorporated into the Web Basic Pilot and the increasing number of employers participating in the program.

The goals, objectives, and resulting research questions of the Web Basic Pilot evaluation reflect, in large part, the goals and objectives of the earlier evaluations: (1) Does the pilot operate as the designers intended (i.e., was it properly implemented)? (2) Does the pilot reduce employment of unauthorized workers? (3) Does the pilot reduce discrimination? (4) Does the pilot protect employee civil liberties and privacy? (5) Does the pilot prevent undue burden on employers? However, this report builds on the preceding work. It emphasizes understanding the impacts of changes made to the Basic Pilot system since the original evaluation of the Basic Pilot program and also emphasizes increasing understanding of research questions that could not be fully answered in the evaluation work to date. Since the Web Basic Pilot has changed between its inception in June 2004 and the present, the report also examines the questions of how this program has evolved during this time and the impacts of these changes on the program outcomes. The major research questions addressed in this report are described below.

1. HOW WELL WAS THE WEB BASIC PILOT PROGRAM IMPLEMENTED?

The first question, addressed in Chapter III of this report, is to determine how well the Web Basic Pilot program has been implemented. This process evaluation is critical to ensure understanding of whether any problems observed in the outcome evaluation may be attributed to weaknesses in program implementation that may be correctable in the future. Furthermore, issues arising in the process evaluation may indicate underlying problems that may interfere with the long-term success of the program. For example, unrealistic employer requirements may foster noncompliance with not just the specific unrealistic requirements but other requirements as well.

Making the Basic Pilot system more user friendly and less burdensome from an employer perspective was a goal of many of the modifications of the original Basic Pilot program that were incorporated into the Web Basic Pilot program. An important component of understanding Web Basic Pilot implementation is determining whether the changes did result in increased employer satisfaction with the Web Basic Pilot compared to the original Basic Pilot system.

Similarly, changes to the tutorial and other training materials and edit checks added to the Web Basic Pilot software were designed to reduce employer noncompliance associated with confusion over the pilot requirements. Chapter III, therefore, discusses whether these changes were effective in increasing employer compliance with the requirements.

Understanding employer satisfaction and compliance with the Web Basic Pilot program also has implications for the policy questions addressed in Chapter IV of the report. For example, the ability of the program to decrease unauthorized employment is clearly a function of program usage; as long as the employment verification program remains voluntary, employer satisfaction will strongly affect program usage. The material in Chapter III, therefore, lays the groundwork for much of the discussion in Chapter IV.

2. IS THE WEB BASIC PILOT EFFECTIVE IN MEETING PILOT PROGRAM GOALS?

The second broad research question is addressed in Chapter IV. The same goals that governed the previous IIRIRA employment verification pilot evaluations are relevant for assessing the Web Basic Pilot program. These goals are to create a system that will decrease unauthorized employment while protecting against discrimination, safeguarding privacy, and avoiding undue employer burden. The previous evaluations indicated that the pilot programs did an adequate job of safeguarding privacy, subsequent to the implementation of modifications recommended by the original Basic Pilot evaluation. This report, therefore, focuses primarily on the three pilot goals that were not clearly met (decreasing unauthorized employment, avoiding increased discrimination, and avoiding undue employer burden) in the earlier pilot programs. However, since there were major changes to the pilot software and operating procedures during implementation of the Web Basic Pilot program, this report also addresses the question of whether the Web Basic Pilot adequately safeguards privacy.

3. HAVE RECENT CHANGES TO THE WEB BASIC PILOT HAD A POSITIVE IMPACT ON THE PROGRAM?

There have been a number of changes in the Web Basic Pilot program since its inception in June 2004. Chapter V, therefore, examines trends in a number of characteristics of employers and the workers they verify. Based on this information, some likely impacts of future changes are also discussed.

G. SUMMARY

In sum, this report focuses on three broad but related evaluation questions:

- Was the Web Basic Pilot program implementation consistent with stakeholder expectations?

- Did the Web Basic Pilot program achieve its primary policy goals?

- Have recent changes in the Web Basic Pilot program increased its effectiveness in meeting pilot goals?

The final chapter makes a number of recommendations for further changes to the program.

CHAPTER II. RESEARCH METHODS

A. INTRODUCTION

The evaluation team for the Web Basic Pilot adopted a multimodal approach to data collection. Sources included the following:

- Web surveys of employers using the Web Basic Pilot program;

- Case studies, including interviews with establishment representatives, record reviews, and interviews with employees who received tentative nonconfirmations;

- Informal interviews with employers that had either terminated use of the Web Basic Pilot or had signed a Memorandum of Understanding (MOU) in the last quarter of 2006 but had not used the system as of March 2007;

- Analyses of the Web Basic Pilot transaction database and other secondary data;

- Meetings with Federal officials and their contractors; and

- System testing.

Standard research procedures were used in this study to assure the quality of the data. Quality control procedures were implemented to ensure data accuracy. These procedures included training of data collection and data processing staff and data cleaning based on consistency and range checks.

B. EVALUATION METHODS

Given the complex nature of an evaluation design that uses multiple data sources, it is important to understand the relationships among the data sources, their uses, and the data collection instruments. This section describes the different approaches used for the Web Basic Pilot evaluation.

1. QUANTITATIVE METHODS

The quantitative methods used for the evaluation included Web surveys of long-term users, recently enrolled employers, and small employers, as well as analyses of secondary data (the transaction database, employee registration data, and Federal data sources). Each of these approaches is described below.

a. WEB SURVEYS OF EMPLOYERS

As part of the evaluation, Web surveys of employers were conducted with three different populations: long-term users, recently enrolled users, and small employers. These surveys are discussed in this section.

i. **W**EB **S**URVEY OF **L**ONG-**T**ERM **U**SERS

(a) *Sample Selection*

The sample of employers for the Web survey of long-term users consisted of all
employers meeting the following criteria:

- The employer had signed an MOU before April 1, 2005;

- The employer had not notified the U.S. Citizenship and Immigration Service
  (USCIS) by March 2006 that it wished to terminate enrollment in the Web Basic
  Pilot;

- The employer transmitted at least one case in August or September 2005; and

- The employer transmitted at least one case in February or March 2006.

The employers that participated in the case studies and case study pre-test were excluded
from the employer Web survey.

(b) *Selection of Questions for the Survey*

Many of the questions asked in the survey of long-term users were adapted directly from
the Active Basic Pilot employer mail survey (conducted in February 2000 as part of the
first independent evaluation) to permit direct comparisons of the two pilots. The
following modifications were made to the Basic Pilot program survey instrument to make
it useful for the Web Basic Pilot program:

- Deletion of questions irrelevant to the Web Basic Pilot program (e.g., "From the
  time this establishment first received materials needed to install the Basic Pilot
  system, how long was it before the system was installed?");

- Deletion or modification of questions found not to be useful in the Basic Pilot
  program analyses (e.g., the question "During the past 2 years, has this
  establishment been found guilty of any of the following by a Federal or State
  agency: employment discrimination, pollution of the environment, violation of
  OSHA or labor standards?" was deleted);

- Addition of relevant questions from the Citizen Attestation Verification Pilot
  (CAVP) survey (conducted in 2001) and the Machine-Readable Document Pilot
  (MRDP) surveys (conducted in 2001 and 2002) that were added or modified as a
  result of experiences with the original Basic Pilot employer surveys, which were
  the first surveys administered;

- Addition of key questions from the on-site Basic Pilot survey (conducted in 2000)
  and the on-site MRDP survey (conducted in 2002) that could be adapted for use in
  a self-administered survey;

- Addition of questions to obtain information about some of the unique features of the Web Basic Pilot program; and

- Addition of a set of questions targeted to employers that participated in both the original Basic Pilot program and the Web Basic Pilot program, to determine what they perceived to be the strengths and weaknesses of the Web Basic Pilot program compared to the Basic Pilot program.

(c)   Pre-testing of the Draft Survey

The initial draft of the Web survey was pre-tested with a small group of employers to verify that the questions were clear and that the survey did not take an excessive amount of time to complete. The research team conducted an on-line focus group using WebEx, a Web hosting service for integrated teleconferencing. The survey was modified based on input from the focus group. A copy of the final Web survey and the advance letter used with the survey are available on-line in the Supplemental Materials.[1]

(d)   Creation and Testing of the Web Survey

Programming staff created an on-line version of the Web survey. The process used to develop the Web application was an iterative one. Research staff provided specifications for the survey. After programmers had created and tested the draft instrument, research staff tested the survey and requested changes to its appearance and functionality. Programmers made and tested the requested changes, which were tested again by research staff. This process continued until both programming and research staff approved the survey for use.

The following is a list of the features of the on-line survey:

- It made use of logins, passwords, and Secure Sockets Layer (SSL) to ensure limited access and data security.

- Programmable conditional and skip logics were built in. Respondents were automatically navigated to the correct location in the survey based on their responses.

- Validations and edits were designed to alert respondents to missed questions or inconsistent responses.

- Respondents were able to save and close the survey and then return to the next unanswered question at any time before the survey was completed.

- Different response formats such as "select one" and "select all" were allowed. Questions were formatted with all the standard input controls (i.e., drop-down boxes, text areas, text boxes, radio buttons, and check boxes).

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[1] For a copy of this report or the Supplemental Materials, go to http://www.uscis.gov, select "About USCIS" (at the top of the page), and then select "Reports and Studies" on the left hand side of the page.

- Respondents were able to navigate back through the survey and change prior responses without data loss.

- Downloadable versions of the on-line survey were available to respondents in both PDF and MS Word format.

- When respondents completed the survey, they were offered the opportunity to print a copy of their responses. This printed copy also informed them which questions were part of a skip pattern, as well as which ones had not been answered.

- A receipt control module was built into the system to provide the evaluation team with information on response rates and other survey statuses.

(e) Staff Training

The evaluation team provided thorough training to the telephone center and data entry staff who worked on the employer survey. For the telephone staff (who obtained correct e-mail addresses, reminded respondents that their questionnaires had not been completed, answered respondent questions, and conducted refusal conversion), this training included an explanation of the purpose of the survey, review and explanation of calling duties, and role-playing scenarios. For data entry staff who used the management system, training consisted of an explanation of the purpose of the survey, review of result codes and edits, and practice inputting data into the management system.

(f) Data Collection

The initial contact with employers was through an e-mail from Westat that requested that recipients either confirm that they were the correct contact person or provide information on who should be contacted. The e-mail included an attached letter from the USCIS Director of Research and Evaluation on agency letterhead; the letter explained the survey, reminded participants of their responsibility to cooperate with the evaluation as stated in the MOU they had signed, informed them that Westat would be conducting the survey, and stressed the confidential nature of their participation.

When e-mails bounced back as undeliverable, an e-mail was sent to the alternative contact person if one was listed on the file. If there was no alternative contact person, or if the e-mail to the alternative contact person also proved to be undeliverable, the employer was called to ascertain the correct contact person.

When the initial e-mail did not elicit a response, a reminder e-mail was sent. When necessary, this was followed by a telephone call to the contact person. Once a confirmed contact person had been identified, Westat sent an e-mail containing the information necessary to log into the system and complete the survey.

If the survey had not been completed within approximately 2 weeks of the initial login e-mail, Westat sent a reminder e-mail to the employer. Approximately 2 weeks later a

second e-mail reminder was sent. Sample members who still had not responded 1 week later were reminded by telephone.

A hard-copy version of the survey was made available to respondents for downloading. To minimize mode effects, submission of the survey in hard copy was not encouraged; however, this alternative was available if the telephone center staff believed it necessary to secure a response during the nonresponse calling process. In fact, no hard-copy surveys were received, and all surveys were completed on-line.

Data collection took place during a 3-month period starting in April 2006.

(g)   Weighting and Nonresponse Adjustment

Since all employers meeting specified criteria were included in the sample, no weighting was necessary to adjust for differential sampling probabilities. No adjustments were made for nonresponse, because the response rate for the survey was 86 percent and experience with prior employer surveys has indicated that nonresponse adjustments have trivial effects on the final estimates.

(h)   Database Construction

The initial database file from the employer survey was generated directly from the Web application. Employer-level variables from the transaction database, such as the number of verification queries and the number of tentative nonconfirmations, were then added to the file created by the Web application. Programmers created an extract from this file containing variables for which comparable data existed on both the original and Web Basic Pilot surveys. A comparable extract was created from the original Basic Pilot, and the two files were merged to facilitate comparisons of the original Basic Pilot and Web Basic Pilot results.

ii.   WEB SURVEY OF RECENTLY ENROLLED EMPLOYERS

In addition to the long-term user survey, a smaller survey was conducted with employers that had signed MOUs too late to be included in the original employer survey. The purpose of this survey was to obtain information that will permit an understanding of the perspectives of this group, which differs from long-term users on both the length of time since they enrolled in the program and the recency of the survey.

(a)   Sample Selection

The sample for the Web survey of recently enrolled employers consisted of all employers meeting the following criteria:

- The employer signed an MOU in November or December 2006;

- The employer transmitted at least one case in March 2007; and

- The employer had not notified USCIS that it wished to terminate enrollment in the Web Basic Pilot.

(b)   Survey Design

The Web survey used for long-term users was also used for the survey of recently enrolled users.

(c)   Staff Training

Where possible, telephone center and data entry staff who had worked on the survey of long-term users were also assigned to the survey of recently enrolled employers. New staff were trained using the same materials used for training the original data collection staff.

(d)   Data Collection

Data collection procedures used with the survey of long-term users were telescoped for use with recently enrolled employers, to ensure timely completion of the survey. More specifically:

- The initial e-mail from Westat included both the attached letter from USCIS and the information necessary to log into the system and complete the survey.

- The length of time between contacts was shortened.

The data collection was conducted over a 4-week period in March and April 2007.

(e)   Weighting and Nonresponse Adjustment

Since all employers meeting specified criteria were included in the sample, no weighting was necessary to adjust for differential sampling probabilities. No adjustments were made for nonresponse, because the response rate for the recently enrolled employers survey was 79 percent and experience with prior employer surveys has indicated that nonresponse adjustments have trivial effects on the final estimates.

(f)   Database Construction

A data file for recently enrolled employers was constructed using the same techniques that were used in constructing the data file for the long-term user survey. The final file was merged with the file from the long-term user survey to facilitate comparisons between employers in the two surveys.

iii.   WEB SURVEY OF SMALL EMPLOYERS

In addition to surveying long-term and recently enrolled users, a survey of small employers using the Web Basic Pilot was conducted. The purpose of this survey was to learn more about these employers because they would be expected to constitute a much

higher percentage of all employers in a mandatory employment verification program than in the current Web Basic Pilot.

(a)   Sample Selection

The evaluation team selected a non-random sample of 70 small employers meeting the following criteria:

- The employer had 99 or fewer employees;

- At the time of registration, the employer indicated that it had only one site;

- The employer was not a designated agent;

- The employer was not an employment agency or a temporary help agency;

- The employer had not notified USCIS that it wished to terminate enrollment in the Web Basic Pilot; and

- The employer transmitted at least one case in the first quarter of calendar year 2007.

The original intent had been to select all employers meeting these criteria; however, because incorrect information on the data file was not detected until data collection had started, a number of employers meeting the selection criteria were not on the sampling frame.[2] Because of this problem, the analysts have treated the results of the survey as case study data.

(b)   Survey Design

The Web survey used for long-term users was also used for the survey of small employers, except that the final open-ended question, which asked employers for opinions about how to improve the Basic Pilot program, was modified slightly to emphasize that their opinions as small employers were desired.[3] Because the survey was essentially the same as the long-term user survey, no additional pre-testing was conducted.

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[2] The initial data file contained incorrect data for the number of sites. In no case did this data problem result in selected cases being ineligible for the sample; however, it is not known whether there were systematic differences between the employers incorrectly excluded from the sample and those in the sample.

[3] The original question on the long-term user survey was, "What additional comments or suggestions for improvement do you have regarding the Web Basic Pilot program?" On the survey of small employers, the question was, "What additional comments or suggestions for improvement do you, as a smaller employer, have regarding the Web Basic Pilot program? For example, does the program meet the needs of smaller establishments, or are there any parts of the Web Basic Pilot program that you find particularly challenging?"

(c)   Data Collection

The Web survey of small employers was conducted at the same time as the Web survey of recently enrolled users, so that data collection, including staff training, was the same for the two surveys.

(d)   Weighting and Nonresponse Adjustment

Among selected employers, the response rate was 74 percent. Because the analysts had decided to treat the results as case study data, no weighting was performed.

(e)   Database Construction

The data file for small employers was constructed using the same techniques that were used in constructing the data files for other employer Web surveys.

b.   ANALYSIS OF SECONDARY DATA

i.   WEB BASIC PILOT TRANSACTION DATABASE

(a)   Main Analytic Database

The transaction database provides information on employer use of the Web Basic Pilot program and verification outcomes. Westat constructed a transaction database of all cases submitted to the Web Basic Pilot from the start of the program in June 2004 through March 2007. Since this database was designed to address Department of Homeland Security (DHS) and Social Security Administration (SSA) program goals rather than for analytic purposes, the transaction database required complex file manipulation and cleaning before it could be used for analysis.[4]

The transaction data were subjected to extensive cleaning routines to delete cases that were transmitted in error (e.g., when the employer realized that a typographical error had been made or when the same case was transmitted more than once) and to correct situations in which it appeared that the employer had improperly resubmitted cases to SSA as if they were new cases. Although not all errors can be detected by such cleaning programs, the resulting database is a truer reflection of actual case processing than the original database was.[5]

Data from employer files provided by the contractor responsible for the Web Basic Pilot data system were merged with information from the transaction database. Since the transaction databases created for analysis are censuses of all the employee records for the designated time periods, analyses based on the transaction database are not subject to sampling error. However, there is nonsampling error. For example, in constructing the

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[4] See Appendix B for a description of this process.

[5] The uncleaned transaction database is useful in that it reflects how employers used the system and will be helpful in monitoring and compliance activities.

transaction databases, it was sometimes necessary for staff members to make informed determinations of how to treat duplicate or unmatched cases. As in any case involving human judgment, mistakes may have occurred.

(b)   Longitudinal Database

In addition to developing the main database, the evaluation team constructed a longitudinal transaction database to examine trends in system outcomes for employers that had transmitted cases in every 6-month period from October 2004 through March 2007. This database was extracted from the main database. The restriction of the database to employers with transactions throughout this period was imposed so that trends attributable to types of employers using the system were not confused with trends in the system itself. Examining these trends in addition to the trends in cross-sectional statistics provides two different perspectives on the question of changes in data accuracy. A total of 970,446 records for 544 employers were included in the final longitudinal transaction database.

ii.   EMPLOYER REGISTRATION DATA

At the time that employers register for the Web Basic Pilot program, they provide basic information about their characteristics, including industry, number of employees, location, and number of sites. The database was cleaned of obvious errors, such as employers that were identified as test employers. It is subject to measurement error.

iii.   FEDERAL DATA SOURCES

To determine how Web Basic Pilot employers and the workers they verify differ from national employers and the nation, several Federal databases were used in the evaluation. Data sources used include the Bureau of Labor Statistics' Job Openings and Labor Turnover Survey, the Department of Labor (http://www.bls.gov/jlt/home.htm#data), the Current Population Survey (http://www.census.gov/cps/), and the U.S. Census County Business Patterns 2005 (www.census.gov/csd/susb/usst04.xls). Although these data are believed to provide valid indicators of the nation's employers and labor force characteristics, these sources do not always collect data that are directly comparable with the data available for the Web Basic Pilot program. For example, the definition of "employer" used in the Web Basic Pilot differs from the definitions of "establishment" and "firm" used by the Department of Labor. Because of these differences, it is necessary to use the comparative data cautiously.

2.   QUALITATIVE METHODS

This section discusses the two primary qualitative data collection activities in the evaluation – the case studies and the informal interviews with non-users.

a. CASE STUDIES

i. OVERVIEW

The site visit component of the case studies consisted of the following elements:

- Interviews with establishment employees responsible for the verification process;

- Observation of the establishment's verification process;

- Examination of employee records related to the verification process; and

- Interviews with employees.

ii. SAMPLE SELECTION AND RECRUITMENT

(a) Establishment Sample

A purposive sample of five employers was selected for the case study. Only employers with a relatively large number of tentative nonconfirmations were considered eligible for the study, to ensure that a sufficiently large number of employees would be available for interviewing. For the sake of efficiency, only employers located near several other eligible employers were approached for inclusion. To ensure some diversity among respondents, no more than two employers were selected from a given locale, and an attempt was made to find employers from different types of industries.[6]

The employers selected for participation in the case study were sent an initial e-mail requesting their participation, with an attached letter from USCIS endorsing the study and asking for their cooperation (see the Supplemental Materials). Because of the complex nature of the case study, all follow-up was conducted by telephone.

A total of 18 employers received an e-mail requesting their participation in the case study portion of the evaluation. Eight of these employers either refused to participate or failed to return telephone calls. Recruitment efforts were discontinued after the desired number of five employers had agreed to participate.

(b) Sample of Employee Records

The record review did include quantitative analyses. Of the 376 records reviewed, data from 364 record review forms were included in the analyses. To clean the record review database, research staff removed all cases where the employee files were missing and all cases where the record review form had been completed for the incorrect case number. As a result, 12 records were not included in the analyses. Basic descriptive statistics were used to summarize the results of these reviews.

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[6] To protect the confidentiality of the case study interviewees, detailed information about the selected employers is not provided.

(c)   Employee Sample

The employee sample for each employer consisted of a purposive sample of up to 100 employees whose records on the transaction database indicated that they had received tentative nonconfirmations. Selection of employees for the initial employee sample was based on the recency of the cases and the case outcome (SSA final nonconfirmation, verified by SSA at second stage, USCIS final nonconfirmation, USCIS unauthorized, and USCIS third-stage authorization). The goal was to have sample sizes within each outcome category that were proportionate to the overall number of cases with that outcome at each employer. For example, if 50 percent of tentative nonconfirmation cases for a case study employer were SSA final nonconfirmation cases, the goal was to complete 50 percent of the employee interviews with employees who had received SSA final nonconfirmations.

This initial list of employees constituted the employee sample for the record review portion of the case study. The interviewers were instructed to select employees from this list for in-person interviews. Criteria for selection included case outcome and the amount of information available for locating the employee. The interviewers also gave preference to employees who they believed were likely to speak either English or Spanish, since interviewers proficient in other languages were not used in the study and interviewing through an interpreter is somewhat problematic. Interviewers were also instructed to give preference to employees who had puzzling records. Within these limitations, the interviewers were free to select employees based on the ease with which they could locate them. For example, it made sense to try to interview employees who lived close to one another in a single trip.

The goal was to complete 20 employee interviews for each employer, for a total sample of 100 employees. A total of 79 employees were interviewed from approximately 150 attempted interviews. Given the nature of the sample and the interview procedures, calculation of a formal response rate is not appropriate. On the basis of additional information obtained during the site visits, the research team decided that 14 of these employees had been erroneously classified as tentative nonconfirmation cases; one additional employee was not knowledgeable about the tentative nonconfirmation finding or the contesting process because his mother had resolved the finding for him. Thus, the total sample of tentative nonconfirmation recipients with completed interviews was 64.[7]

iii.   INSTRUMENT DESIGN AND DEVELOPMENT

(a)   Initial Design

Three instruments were prepared for use in the case study portion of the study. These instruments consisted of an employer interview protocol, an employee interview protocol, and a record review form. In keeping with the ethnographic nature of the case studies,

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[7] Reasons for misclassification included employer errors in coding cases that had not been identified during cleaning of the transaction database and a misunderstanding of the meaning of one of the transaction codes on Westat's part. The latter error was corrected before the transaction database analyses described in this report.

interviewers were given a great deal of leeway in what questions they asked both employees and employers within the frameworks established by the written materials.

Development of the instrument for use with *employers* started with a review of the employer on-site surveys used in earlier evaluations. Modifications were made in light of the research goals of this study, previous experiences with the employer on-site interviews, and the less-structured interviewing instruments being used for this study.

Development of the instrument for use with *employees* started with a review of the employee surveys used in earlier evaluations. Modifications were made in light of the research goals of this study, previous experiences with the employee interviews, and the less-structured interviewing instruments being used for this study. Since the research team did not plan to make comparisons between the employees interviewed in the case studies and those previously interviewed, there was no attempt to maintain consistency between the new instrument and those used in earlier evaluations.

Once drafts of the employer and employee interview protocols were completed, an on-line focus group was conducted to further inform the case study. The goals of this focus group were to ascertain what procedures employers would be comfortable with and what types of activities they would recommend that the interviewers undertake to understand the hiring and verification processes at their establishments. The protocols were modified in response to the focus group.

A record review form was designed to obtain as much information as possible about the experiences of each employee during the tentative nonconfirmation process and was also used to capture any locating information available in the record (see the Supplemental Materials). These forms were individualized for each employee on the list. They contained information necessary to verify that the correct employee's record had been provided by the employer, and they included information about the case from the transaction database. The form permitted interviewers to indicate whether the information in the employee's record was consistent with the information on the transaction database and, if not, provided space for them to describe any discrepancies, including missing documents.

(b)   Pre-test of Instruments

Because the instruments developed for the case study differed substantially from previously used instruments, they were pre-tested. Site visits were made to two establishments. At each site, the Web Basic Pilot contact person was interviewed, record review forms were completed for several employees who had received tentative nonconfirmations, and two employees were interviewed. Two staff members conducted each of these site visits. One member of the interview team was an evaluation team member and the second was the interviewer supervisor selected for the site visits. The interviewer supervisor was responsible for conducting and writing up the interview. The evaluation team member observed, in order to identify and correct any deficiencies in the initial drafts of the instruments that might interfere with achieving the evaluation's research goals. Both members were responsible for identifying any problems with the

protocols or the record review form. All of the instruments were revised, as needed, in light of the pre-test prior to the actual site visits. (See the Supplemental Materials for copies of the materials used in the pretest.)

iv.   INTERVIEWER SELECTION, TRAINING, AND MONITORING

Ethnographic observations and interviews must be conducted by highly educated and experienced interviewers who have been intensively trained. Accordingly, the evaluation team selected experienced interviewers known to the interviewer supervisor. Two of the selected interviewers were bilingual in English and Spanish.

The selected interviewers had an intensive 4-day training session. This training session started with an in-depth explanation of the evaluation goals and methodology, concentrating on the site visit stage of the study. This introduction to the evaluation also included an overview of the Web Basic Pilot program, and each interviewer completed the Web Basic Pilot on-line tutorial and passed the Mastery Test. The interview guides and observational protocols were carefully reviewed with the interviewers, and role-playing exercises gave them an opportunity to practice the interviewing techniques they would use. The interviewers also had opportunities to practice using the record review form.

During the data collection period, interviewers were monitored in several ways. First, they had weekly conference calls with their supervisors to discuss productivity, problems finding employees, and contact strategies for maximizing response rates. Supervisors thoroughly reviewed all employer and employee case summaries as they were completed by each interviewer and provided feedback. Supervisors also provided additional feedback and discussed problems and strategies through e-mail with interviewers.

v.   DATA COLLECTION

The site visits were conducted from the last week of May through July 2006. The first step in the site visit consisted of an interview with the primary contact person for the Web Basic Pilot program. The contact person also identified and invited other establishment staff members involved in the Web Basic Pilot process to participate in the interview. The contact person(s) was asked questions about the verification process at the establishment. Once the interviewing of establishment staff was completed, the interviewers observed as much of the verification process as feasible. They also determined whether the pilot notice was displayed in a prominent place that was clearly visible to prospective employees, as required by the pilot program.

During the initial site visit, the interviewers also reviewed the employment verification-related records[8] of the employees identified for the record review stage of the case study during the initial establishment visit. Of the 451 records identified for review, 376

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[8] Records consisted of Employment Eligibility Verification forms (Forms I-9) for the employee, as well as any attached photocopies of documents presented, Basic Pilot transaction records, and copies of any notices of the employee's intent to contest a tentative nonconfirmation finding.

(83 percent) were reviewed. The remaining records were not reviewed for several reasons, including the following:

- Some employers retained some employee records for only short periods of time.

- Some employees were never officially hired by the company.

- Some records could not be located.

- Some records were duplicates (the transaction database contained duplicates because of data entry errors that were not detected during the cleaning process).

Subsequent visits to the establishment were made, if needed, to complete the record review, to clarify information obtained during the record review or employee interviews, and/or to interview employees still working for the establishment, if the employer was willing to cooperate by providing a suitable interviewing environment.

Initial locating of employees was done by a locating service on the basis of name and Social Security number. This service provided contact information for 262 of the 451 employees selected for record review and possible interview. During the record review, interviewers recorded available information from the Form I-9 and any other address sources, such as copies of driver's licenses presented as proof of identity and included in the employees' Form I-9 files. Finally, while interviewers were in the field, they attempted to trace employees by talking to neighbors or landlords when feasible.

Once the employees had been located, the evaluation team mailed them an introductory letter that described the purpose of the interview, established the interview's legitimacy, guaranteed confidentiality, and provided the names of evaluation staff who could answer questions about the interview. Within 2 weeks of the introductory letter mailing, interviewers began to contact employees. To facilitate introduction at the door, interviewers wore an identification badge and handed out the study brochure to the person answering the door. To encourage participation, respondents who completed the interview were offered a $25 incentive.

Most interviews were conducted in the sampled employees' homes, at the case study establishment, or in person at another agreed-upon site. A small number of interviews were conducted over the telephone because the employee lived in an area that the interviewer was not comfortable visiting and an alternative location could not be identified for the interview. An in-person interview was chosen because of the complexity of some of the questions, the need to show examples of the I-9 and other forms, the low education level of a significant proportion of employees, and the limited English proficiency of some employees in the sample. Bilingual interviewers conducted the interviews with Spanish-speaking respondents whenever possible. During the in-person interview, a trained interviewer asked employees about their experience in applying for the job with the Web Basic Pilot employer, how their paperwork was processed, and how any problems encountered during employment verification were resolved. The employees' demographic characteristics were also collected. The data

collection followed procedures and management structures designed to ensure the highest quality data.

b. INTERVIEWS WITH NON-USERS

i. OVERVIEW

There were not sufficient funds available to do a systematic quantitative study of employers that did not use the Web Basic Pilot. However, it was possible to conduct a few informal interviews with non-users to obtain some insights into why they were not using the Basic Pilot system. The non-users selected had either formally terminated their participation in the Web Basic Pilot program or had signed up for the program but had never used it. No attempt was made to interview the much larger group of employers that had never signed up for the Web Basic Pilot program, nor was there an attempt to interview employers that had not formally terminated but had not recently submitted cases to the Web Basic Pilot.[9]

ii. SAMPLE SELECTION

Two lists of non-users were generated for potential interviews. One group of non-users consisted of employers that had formally terminated their participation in the Web Basic Pilot program, and the second group consisted of employers that had signed up for the program in December 2006 or earlier but had never used the system. Purposive samples were selected from these lists. For both samples, the following were taken into account:

- Employment and temporary help agencies and designated agents were excluded from the samples because their unique needs would require separate protocols, and there were not adequate resources to conduct interviews with more than two groups.

- The recency of the action (i.e., termination date for the sample of employers that had terminated and the MOU date for those never using the system) was taken into consideration, with a preference given to employers that had recently terminated or had signed the MOU relatively recently.

- The sampling process took into account the desire to interview employers with diverse size, location, and industry characteristics, among those meeting the minimum criteria.

- For the sample of employers that had terminated use of the system, employers that gave USCIS vague reasons for terminating were given preference over those giving clearer answers. For the remaining employers, selection was based on a desire to obtain interviews with employers expressing a variety of reasons for termination.

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[9] There is no easy way to differentiate employers that have not recently hired any employees from those employers that have decided not to use the system without formally terminating their participation.

- For the sample of employers that had never used the system, preference was given to employers particularly likely to use the system based on their size and industry code (i.e., larger employers and those in industries that have a relatively high percentage of users among employers signing up for the program).

Using the preceding criteria, 20 employers within each group were selected in order to provide a sufficiently large number of employers for inclusion in the final sample.

iii.   INSTRUMENT DESIGN

Separate interview protocols were developed to guide the interviews for each group (see the Supplemental Materials). Because of time and cost concerns, these instruments were not pre-tested.

iv.   DATA COLLECTION

Two members of the evaluation team conducted telephone interviews with nine non-users in each of the two groups. Because these researchers were already very familiar with the Web Basic Pilot, it was not necessary to provide training and the researchers were better able to follow up on issues of interest to the evaluation, even if these were not articulated in the protocol.

c.   DISCUSSIONS WITH FEDERAL OFFICIALS AND CONTRACTORS

During the original Basic Pilot evaluation, the evaluation team interviewed 15 senior officials and contractors from SSA and the Immigration and Naturalization Service (INS) and other offices within the Department of Justice that had responsibility for designing and/or implementing the pilot programs. The information captured in those interviews represents the informed opinions of individuals who had experience with the pilot programs and with electronic verification systems. For the Web Basic Pilot, the project director had additional discussions with Federal and contractor staff to obtain updated financial and programmatic information for the evaluation. The project director also attended several meetings of Federal staff on issues related to this report.

d.   SYSTEM TESTING

The evaluation team tested the Web Basic Pilot system by registering for the Web Basic Pilot as an employer, registering system users, completing the tutorial and Mastery Test, and using the system to verify employment eligibility. System testers reviewed the instructional and informational content provided by the system, including the MOU, the tutorial screens, mouse-over text, and other on-line resources. They tested the functionality and usability of each feature of the on-line program. Tests were also performed to determine how tolerant the system was in matching employees' names and dates of birth (e.g., whether the system accepted typographical errors or nicknames). No attempt was made to "hack" into the system database.

C.   MEASUREMENT AND DATA ANALYSIS

1.   MEASUREMENT

a.   SCALES

Most of the quantitative variables used in analyzing the data in this report were measured in a straightforward fashion. These include continuous variables, such as the number of cases the employer transmitted in the preceding 6 months, and categorical variables, such as whether the employer agreed with the statement "Contesting a tentative nonconfirmation is not encouraged because the process requires too much time." When there were too few cases in some of the categories of a categorical variable to permit meaningful analysis, adjacent ordered cells were combined (e.g., "agree" and "strongly agree").

For this report, employer satisfaction and employer compliance are the only variables measured with a scale derived using advanced statistical techniques. To systematically assess the employers' overall satisfaction and compliance levels with the pilots, item response theory methodology was used to construct two scales. The satisfaction scale is a modification of the scale used in an earlier evaluation report that integrated information from the three Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA) evaluations, based on questions used in that study that are also available in the Web Basic Pilot survey. The compliance scale was constructed for the current evaluation. To construct the scales, a mixed-method approach was applied using both theory-driven and data-driven analysis to explore the item-scale relationship. The theory-driven model grouped the items relevant to each underlying construct and used these groupings to guide the analysis. The items[10] used in the satisfaction scale are as follows:

- Burdensome: Indirect costs for setting up the system;

- Burdensome: Indirect costs for maintaining the system;

- How useful the manual was;

- Tentative nonconfirmation: Providing assistance is an excessive burden on staff;

- Tentative nonconfirmation: Burden because there are so many of them;

- Pilot experience: At this time, the number of employees hired is too great to enter on a timely basis;

- Procedure: The tasks required by the pilot overburden staff;

- Procedure: It is impossible to fulfill the employer obligations required;

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[10] See the Supplemental Materials for the Web Basic Pilot survey with complete question wording.

- Overall, the pilot is an effective tool for employment verification;

- Any difficulties with the pilot after setup; and

- Benefits of the system outweigh disadvantages.

The items used in the compliance scale are as follows:

- How user friendly the system is;

- It is easy to make errors when entering employee information;

- Frequent technical assistance is needed from the help desk;

- Number of employees hired is so great, employer can't make verification deadline;

- Software is so cumbersome, employer can't make verification deadline;

- Any difficulties using the system;

- Employer uses program for new employees who claim to be noncitizens;

- Employer uses program for new employees who claim to be citizens;

- Employer uses program for job applicants;

- Employer uses program for employees working prior to start of the program;

- Employer has received nonconfirmation due to data entry error;

- Employer closes cases with data entry errors as Invalid Queries;

- Employer enters revised case with corrected information as a new case;

- Employee told about a tentative nonconfirmation decided to contest;

- Employee told about a tentative nonconfirmation decided to quit;

- Employer never told employee about a tentative nonconfirmation because employee was no longer working there;

- Employer never told employee about a tentative nonconfirmation even though employee is still working there;

- Employer decided not to hire employee without telling employee about tentative nonconfirmation;

- Employer decided to fire employee without telling employee about tentative nonconfirmation;

- Contesting tentative nonconfirmation is not encouraged because it takes too much time;

- Providing assistance to employees who contest is an excessive burden;

- Contesting is not encouraged because employment authorization rarely results;

- Establishing authorization became burdensome because of so many tentative nonconfirmations;

- Work assignments are restricted until employment authorization is confirmed;

- Pay is reduced until employment authorization is confirmed;

- Training was delayed;

- Employee was informed privately;

- Written notification was given;

- In-person notification was given;

- Employees do not return when tentative nonconfirmation is issued; and

- Employees are unable to contest tentative nonconfirmation.

b. WORK-AUTHORIZATION MODEL

One limitation of outcome estimates from the transaction database is that the sizeable number of final nonconfirmation cases includes both persons without work authorization who are unlikely to contest tentative nonconfirmations and work-authorized employees who do not contest for a variety of reasons. Work-authorized employees might not contest because they were not clearly informed of the tentative nonconfirmation or because they decided to leave the job for reasons unrelated to the tentative nonconfirmation finding. The programmatic implications of final nonconfirmation cases associated with work-authorized employees and those associated with employees without work authorization are critical. Since the termination of employees without work authorization is a program goal, final nonconfirmations of these employees indicate that the program is working properly. On the other hand, the receipt of final nonconfirmations by work-authorized employees indicates a programmatic failing, since these employees may lose jobs or be subject to other adverse consequences.

Unfortunately, it is not easy to estimate quantitatively what percentage of final nonconfirmation cases are associated with work-authorized employees. The evaluation team has, therefore, developed a model to estimate the percentage of work-authorized

employees among those receiving final nonconfirmations.[11] This estimate is based on the following assumptions:

- The percentage of work-authorized employees during the first half of fiscal year 2007 who successfully contested an SSA tentative nonconfirmation was 61 percent and the percentage who successfully contested a USCIS tentative nonconfirmation was 81 percent. These rates are the midpoints between 100 percent and the highest observed rate for subgroups of employees with different reasons for receiving tentative nonconfirmations among cases resolved by SSA or USCIS.

- The final work-authorization findings for employees contesting tentative nonconfirmations are correct.

- When a tentative nonconfirmation finding is issued, employer and employee behavior may be influenced by whether it is an SSA or USCIS tentative nonconfirmation, but their behavior is not dependent upon the reason for the tentative nonconfirmation.

Two important caveats must be noted: (1) To the extent that these assumptions are not correct, the estimates are likely to be inaccurate; and (2) no estimate is made for the number of non-work-authorized persons who are found by the Web Basic Pilot to be work-authorized because they committed identity fraud.

c. INDICATORS

To assist in understanding the results of the evaluation, the following indicators were developed:

- **Erroneous tentative nonconfirmation rate for ever-authorized employees.** This rate consists of the percentage of employees found to be work-authorized at any point in the verification process who received a tentative nonconfirmation prior to receiving a work-authorized finding. This measure should be viewed as only an approximation of the "true" erroneous tentative nonconfirmation rate for all employees. It is limited by the following:

    – Some work-authorized employees do not contest tentative nonconfirmation findings because they choose not to do so or because their employers do not provide them with the information they need to contest. These cases are not counted in either the numerator or the denominator of the erroneous tentative nonconfirmation rate for ever-authorized employees. Because of this exclusion, the erroneous tentative nonconfirmation rate for ever-authorized employees is lower than the erroneous tentative nonconfirmation rate for all employees. The model-based estimate of the percentage of employees receiving final nonconfirmations provides some information on the likely

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[11] See Appendix C for more detailed information on the model.

extent of this underestimate. For October 2006 through March 2007, the estimate of the erroneous tentative nonconfirmation rate, including work-authorized employees who received final nonconfirmations, was approximately 0.81 percent, compared to an erroneous tentative nonconfirmation rate for ever-authorized employees of 0.53 percent. Thus, the estimated erroneous tentative nonconfirmation rate for all employees is approximately 1.5 times that for ever-authorized employees.

- The erroneous tentative nonconfirmation rate for ever-authorized employees does not correct for the fact that there are employees who are not work-authorized among those found to be work-authorized. Ideally, these employees should not be included in the calculation. If this correction could be made, it would increase the estimate of the erroneous tentative nonconfirmation rate. If, for example, 5 percent of cases found to be work-authorized were actually not work-authorized, the erroneous tentative nonconfirmation rate for ever-authorized work-authorized persons would have been 0.56 instead of 0.53 percent.

Although not perfect, the percentage of ever-authorized employees found to be work-authorized after a tentative nonconfirmation is the best indicator of the erroneous tentative nonconfirmation rate that could be easily calculated with available data for many of the groups of interest.[12] Unfortunately, the evaluation team was unable to develop a comparable indicator of the *erroneous work-authorization rate* (i.e., the percentage of verifications of persons without work authorization who were found to be work-authorized). While the results of the process whereby employees contest erroneous tentative nonconfirmations can be used to inform the estimated erroneous tentative nonconfirmation rate, there are no comparable follow-up procedures for invalid findings of work authorization.

- **Ratio of new employees verified by the Basic Pilot program to newly hired employees nationally.** The indicator of Basic Pilot coverage used in this report is calculated by dividing the number of employees verified by the Basic Pilot program by the number of newly hired employees in the country (estimated from the Job Openings and Labor Turnover Survey) for the same time period. Since there is evidence that some employers are screening job applicants,[13] this indicator overestimates the percentage of new employees verified by the Basic Pilot program.

Readers familiar with earlier IIRIRA evaluation reports may remember that the percentage of establishments enrolled in the program was used as a measure of employer usage of the program. This has been discontinued because changes in

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[12] In particular, it is difficult to use the model-based procedures to estimate the total erroneous tentative nonconfirmation rate for the place of birth/citizenship groups.

[13] See Chapter III for a discussion of this issue.

the definition of "employer" used in the Web Basic Pilot program preclude meaningful estimation of the number of establishments enrolled in the program.[14]

- **Mean absolute differences between the Web Basic Pilot and the nation.** These differences are used to indicate how similar pilot employers and the workers they verify are to the entire U.S. population. These measures should be considered rough indicators, especially when comparing differences between various characteristics, because they are sensitive to the somewhat arbitrary categories used for comparisons.

2. DATA ANALYSIS

a. QUANTITATIVE ANALYSES

Most of the quantitative analyses described in this report consisted of simple descriptive statistics (e.g., means and frequencies). For example, such statistics were used to summarize the responses of employers that used both the Web Basic Pilot program and the original Basic Pilot program to questions about their perceptions of the differences between the programs. Even though the employer samples (other than the sample of small employers) consisted of all employers meeting specified criteria, tests of significance were performed. This is a conservative approach, tantamount to assuming that random factors affected which employers signed up for the program. In comparing responses of employer groups (e.g., long-term and recent users), tests of significance (t-tests, ANOVA, and Chi-square tests) were used.

The evaluation team used the following statistical techniques for multivariate analysis: linear regression, logistic regression, and hierarchical linear modeling. Because the audience for this report is expected to include readers with little statistical background, details of the multivariate results are presented in Appendix D rather than in the text. However, only descriptive statistics that are consistent with the multivariate results are presented.

All of the regression analyses followed the same basic set of procedures. First, the evaluation team performed a series of bivariate analyses between the dependent variable and variables expected to be associated with the dependent variables. The purpose of these analyses was to reduce the number of variables included in the multivariate analysis to a reasonable number (i.e., to simplify the model) and to identify whether any of the independent variables should be transformed by logarithmic or other mathematical functions. Second, variables that were highly correlated with each other were identified to

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[14] According to USCIS verification staff, the number of employers published by the program is the number of employers that have signed an MOU to use the program. However, MOUs may be signed either at the company level or the establishment level when there are multiple establishments associated with a given company. Recent changes in question wording clarify that USCIS is asking about the number of sites for which the user is verifying, which could reasonably be interpreted as the number of establishments covered by the program. However, for employers that signed up in the past it is unclear whether the number of sites is equal to the number of the employer's sites or the number of sites for which verification is being conducted.

avoid multicolinearity problems. Although stepwise multiple regression was used to help identify the combination of variables that best predict the dependent variable, alternative models were tested. The alternative model was selected when it was easier to interpret in light of the bivariate results and when the theoretical expectations fit almost as well as the model selected by stepwise regression.

b. QUALITATIVE DATA

Most of the information collected from the case studies was descriptive in nature. The information from these interviews was captured in descriptive summaries of each of the case studies. These summaries highlighted information relevant to understanding discrimination against employees, especially information about the impacts of tentative nonconfirmations on employees and evidence of whether employers were following Web Basic Pilot procedures designed to minimize the negative impacts of tentative nonconfirmations. A synopsis of the individual employer summaries was then prepared and is included in Appendix E.

Qualitative information was also obtained from open-ended questions in the employer surveys and the telephone interviews with non-users. These were used primarily to provide descriptive information and specific employer suggestions.

D. LIMITATIONS IN INTERPRETING EVALUATION RESULTS

As in every study, the data sources used in this evaluation have limitations. Special care should be exercised when interpreting the results from this study, for several reasons.

Pilot establishments account for only a small proportion of all establishments in the United States. Moreover, establishments registering for the Web Basic Pilot differ significantly from employers not enrolled in the program. More specifically, pilot participants tend to be larger than most establishments, have higher proportions of foreign-born employees, and be more concentrated in certain industries and locations.[15] Therefore, the results of this study represent only those establishments that participated in the program or, in the case of the non-user interviews, signed up to use the program.

It is also important to understand that pilot establishments volunteered to participate. The generally favorable attitudes expressed by volunteers may differ from the attitudes of employers that are less willing to participate. Voluntary participation limits the generalization of study results to employers beyond those establishments that used the system.

As in all data collection efforts, some employers did not respond to the Web surveys. In this situation, it is possible that the respondents differ systematically from the nonrespondents. To the extent that this is true, data must be interpreted with this potential source of bias in mind.

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[15] See Chapter I for a discussion of the differences between pilot and non-pilot employers.

To determine how Web Basic Pilot establishments and the workers they verify differ from the nation as a whole, the evaluation team used several Federal sources. Although these data should be considered valid, they are not always strictly comparable to the Web Basic Pilot data because of differences in how questions are asked and/or differences in population definitions. It is, therefore, important to view these comparisons as approximate.

Finally, the qualitative data collection techniques used in the case studies and the non-user interviews were not designed to collect rigorous data. Although these data collection efforts provide insights into the Web Basic Pilot program, they cannot be generalized statistically even to the population of all employers in the program.

CHAPTER III. WAS THE WEB BASIC PILOT PROGRAM IMPLEMENTATION CONSISTENT WITH STAKEHOLDER EXPECTATIONS?

A. BACKGROUND

1. INTRODUCTION

The first step in a program evaluation is usually to determine whether the program has been implemented as intended, since deviations from the original design highlight areas where the program design might need modification to be effective. Scrutinizing program operations also helps to identify the extent to which the intended results may not have occurred because of implementation issues or program design. This chapter focuses on whether the Federal government and the employers that agreed to use the program have performed their respective roles in implementing the Web Basic Pilot program.

2. DATA LIMITATIONS

Many of the employer findings in this chapter are based on data obtained from employers that responded to the Web survey of long-term users of the Web Basic Pilot. Since the population for the employer surveys included all employers meeting specified criteria, it can be argued that sampling error is not an issue for these surveys; however, to be conservative, tests of significance are performed to determine whether random factors affecting which employers sign up for the program account for employer differences.[1] Like all surveys, the employer surveys are also subject to nonsampling errors, such as nonresponse bias and measurement error.

Information obtained directly from the Web Basic Pilot transaction database for June 2004 through March 2007 is based on almost 3.5 million cases. This is an extremely large sample and constitutes the population of cases submitted during this time. Although sampling error is not a concern, the possibility of measurement error exists because the U.S. Citizenship and Immigration Services (USCIS) and Social Security Administration (SSA) data provided from employer verification transactions contained some errors due, for example, to employer input errors. Although the data were cleaned, it is not possible to rectify all errors.

Information from Federal data sources is believed to provide valid indicators of the nation's employers and labor force characteristics; however, these sources do not always collect data that are directly comparable with the data available for the Web Basic Pilot program. For example, the definition of "employer" used in the Web Basic Pilot differs from the definitions of "establishment" and "firm" used by the Department of Labor. Because of these differences, it is necessary to use the comparative data cautiously.

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[1] See Chapter II for additional information on the methodology of the evaluation.

Information from the five case study employers, the 376 employee verification-related records reviewed, and the 64 employees interviewed who had received tentative nonconfirmations cannot be considered to be representative of all employers or employees who received tentative nonconfirmations. The case study is designed to provide more in-depth insights into the Web Basic Pilot than can be obtained solely using more structured methodologies, but it should not be generalized to a larger population using statistical methodologies.

Similarly, the telephone interviews with non-users were not designed to be statistically representative of all non-users. The survey of small employers and telephone interviews with non-users also do not constitute randomly selected samples and, therefore, need to be interpreted with caution.

3.   SYSTEM OUTCOMES

a.   INTRODUCTION

To answer the process evaluation questions in this chapter, it is necessary to have an understanding of what the system outcomes were during the period being evaluated. These outcomes are described here and then referred to later in the report, as relevant to understanding the findings.

Exhibit III-1 provides summary information about system outcomes between the start of the Web Basic Pilot program, in June 2004, and March 2007. During this period, employers made almost 3.5 million verification attempts. Eighty-four percent of the verification attempts submitted to SSA and 9 percent submitted to USCIS were verified as being individuals authorized to work. Seven percent of all verification attempts were never resolved (labeled "Final nonconfirmation by SSA" or "Final nonconfirmation by USCIS"). For these cases, the employees did not contest a tentative nonconfirmation response from SSA or USCIS, either because they decided not to contest or because their employers did not follow the proper notification procedures. In addition, about 0.2 percent (or 7,636 cases) were found by USCIS to be unauthorized to work in the United States.

More detailed information about case processing is contained in Exhibits III-2 and III-5. These exhibits examine separately cases for employees who claimed to be U.S. citizens on their Form I-9s and those who claimed to be work-authorized noncitizens. Because the case processing procedures changed on October 21, 2005, the detailed exhibits are based on data for October 21, 2005, through March 2007.[2]

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[2] See Chapter V for a description of the processes used prior to October 21, 2005, and a discussion of the impacts of the changed procedure.

Exhibit III-1: Overall Finding of Outcomes from the Web Basic Pilot Program

Pie chart showing:
- 1% Final nonconfirmation by USCIS
- <1% Work-unauthorized by USCIS
- 6% Final nonconfirmation by SSA
- 9% Work-authorized by USCIS
- 84% Work-authorized by SSA
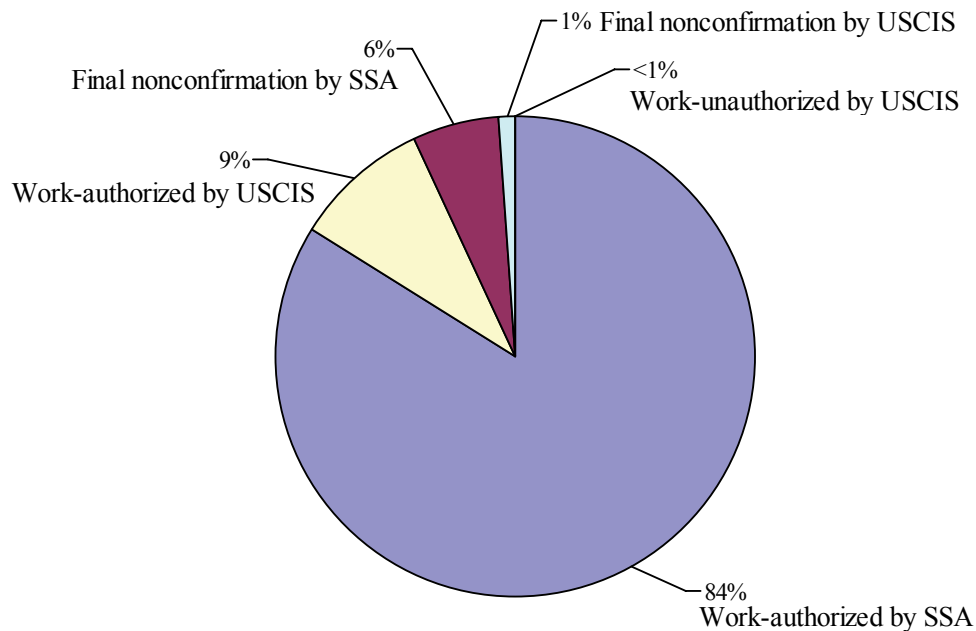
SOURCE: Web Basic Pilot Transaction Database: June 2004-March 2007

b. CASE OUTCOMES FOR PERSONS ATTESTING TO BEING U.S. CITIZENS

In the 18-month period from October 21, 2005, through March 2007, employers used the Web Basic Pilot to make approximately 2.3 million verification attempts[3] for persons claiming to be U.S. citizens on the Form I-9. The outcomes of these verification attempts are displayed in Exhibit III-2. As illustrated, 96 percent of these cases were confirmed as work-authorized by SSA at the first verification attempt. Approximately 97,000 (4 percent) of the cases received tentative nonconfirmations.

Among U.S. citizens who received tentative nonconfirmations, approximately 10 percent (9,900) contested and were found to be work-authorized. This group of cases constituted less than 0.5 percent of all transactions for persons attesting to being U.S. citizens.

In approximately 86,600 cases (4 percent of all transactions for persons attesting to being U.S. citizens), SSA was unable to confirm the individual's work authorization during its automated matching processes and issued a final nonconfirmation.

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[3] These estimates are based on transaction data that have been "cleaned" (e.g., by eliminating cases the employer closed as "Invalid Queries"). Additional information on the cleaning process is presented in Appendix B.

Exhibit III-2: Verification Process for Persons Claiming to Be U.S. Citizens on Form I-9
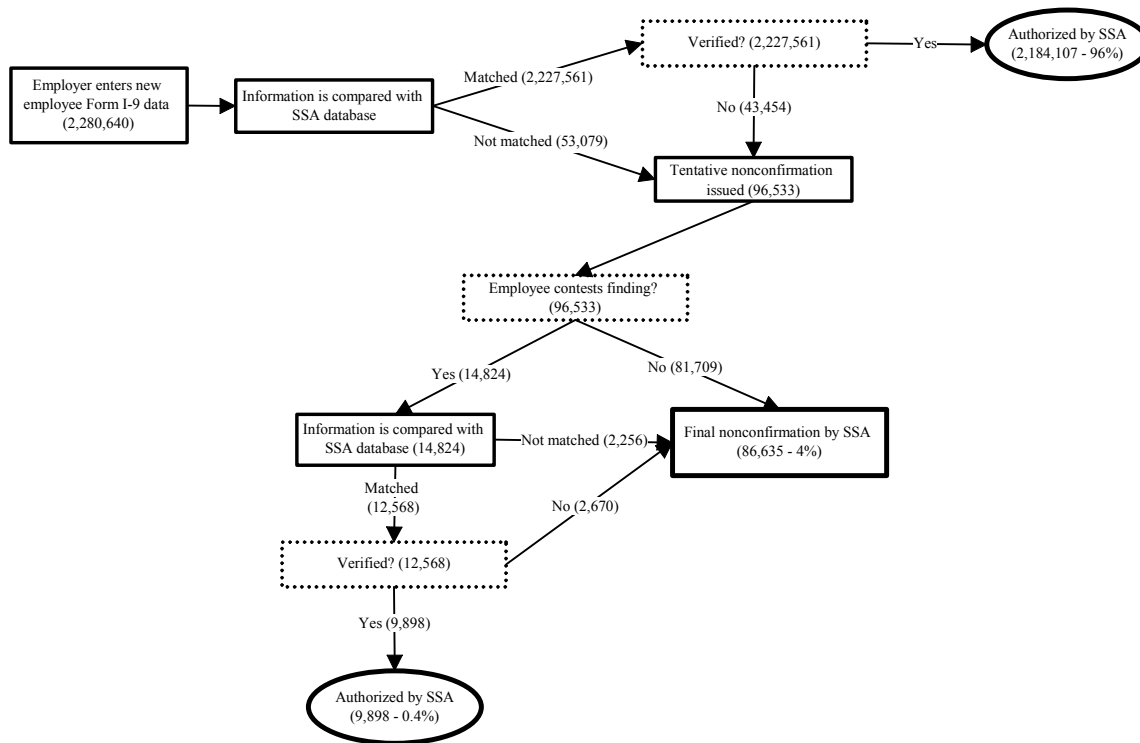
SOURCE: Web Basic Pilot Transaction Database: October 21, 2005-March 2007

The original inconclusive findings were not followed to completion for a variety of reasons. For instance, the transaction database records indicate that 81,700 of the final nonconfirmation cases (94 percent) were ones in which employers did not indicate that they had referred the case to SSA. In some of these cases, the employees were informed of problems but decided not to contest the findings because they had falsely attested to being U.S. citizens or for other reasons. In other cases, the employer did not inform the employee of the outcome or did not provide all the information needed to contest the outcome in a way the employee could understand. In still other cases, the employer failed to enter sufficient information into the Web Basic Pilot system for the evaluation team to identify the case as a resolved SSA case rather than a final nonconfirmation.

In the remaining 4,900 cases (6 percent) receiving an SSA final nonconfirmation, the transaction database indicates that the case was referred to SSA but there is no evidence that the employee contested the case. This includes employees who told their employers they would contest but did not do so, either because they were not U.S. citizens or for other reasons. For example, at one case study employer, many employees were instructed to mark "contest" on the Tentative Nonconfirmation Notice so they could work longer, even if they were not work-authorized.[4] Of the 20 employees interviewed from this

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[4] For a copy of this report or the Supplemental Materials, go to http://www.uscis.gov, select "About USCIS" (at the top of the page), and then select "Reports and Studies" on the left hand side of the page.

employer, most reported that they had marked the contest line on the notice but only 4 actually intended to go through with the contesting process.

The final nonconfirmation cases referred to SSA, but not resolved also include employees who resolved their cases by going to SSA but whose employers failed to resubmit their cases, as required by the Web Basic Pilot. For example, one case study employer reportedly re-entered employees as new cases when they returned from SSA or USCIS with additional documentation or further proof of work authorization, thereby creating multiple cases in the Web Basic Pilot for many employees.

If an employee was not immediately confirmed as work-authorized, the system captured the reason for the tentative nonconfirmation (Exhibit III-3). Among these tentative nonconfirmation cases for employees attesting to being U.S. citizens between October 21, 2005, and March 2007:

- Five percent (4,071 cases) had an invalid Social Security number (SSN) when compared to SSA data.

- Thirty percent of tentative nonconfirmations (25,757) occurred because either the date of birth (DOB) or the name disagreed with the SSA data (17 percent and 13 percent, respectively).

- In 27 percent (23,251) of the cases, both name and date of birth disagreed with the SSA database.

- The remaining 39 percent of nonconfirmations occurred for other reasons (e.g., Social Security number, name, and date of birth were matched, but citizenship status could not be confirmed).

As Exhibit III-4 shows, employers closed 20 percent of final nonconfirmation cases as "self-terminated," which is the code they are supposed to use when employees terminate their employment. The reason for self-termination may be directly related to the receipt of a tentative nonconfirmation; however, the code does not specify the reason for self-termination, so the reason may be unconnected to the Web Basic Pilot process. Another 24 percent of cases were coded as having been resolved as unauthorized/terminated. These are presumably employees believed to be unauthorized because they failed to contest the tentative nonconfirmation. Another 19 percent were closed for "other" reasons. It is difficult to interpret what is actually happening to employees receiving final nonconfirmations because employers do not appear to understand the case closure codes and failed to input codes for 37 percent of cases in which the employee attested to being a U.S. citizen.

Exhibit III-3: Percentage of SSA Final Nonconfirmation Cases by Reason, for Persons Attesting to Being U.S. Citizens
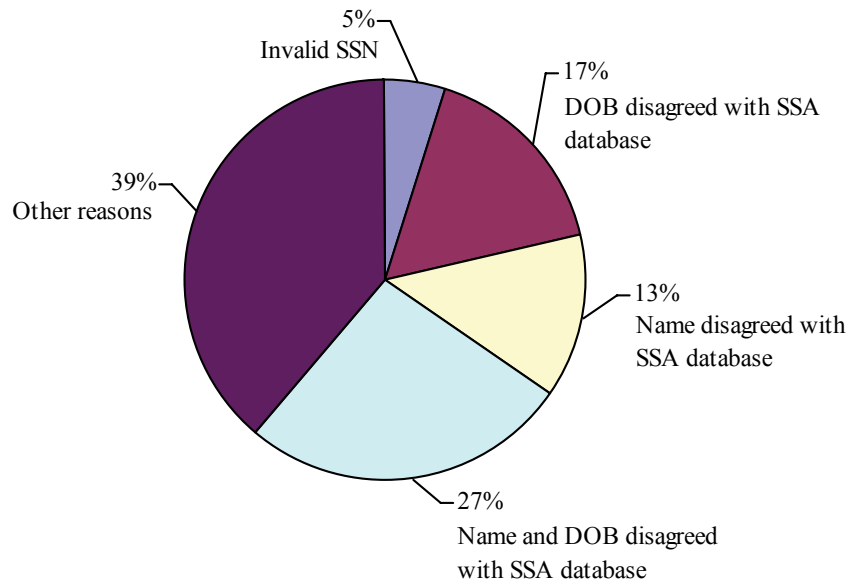
NOTE: Details do not add to total because of rounding.

SOURCE: Web Basic Pilot Transaction Database: October 21, 2005-March 2007

Exhibit III-4: Percentage of SSA Final Nonconfirmation Cases by Employer Closure Code, for Persons Attesting to Being U.S. Citizens
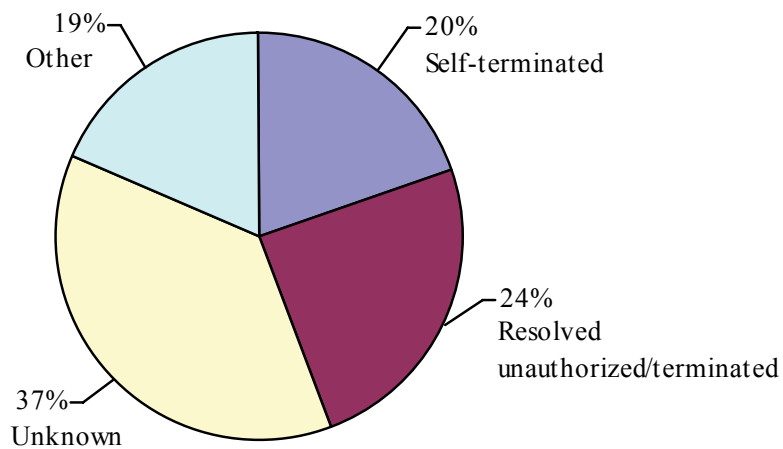
SOURCE: Web Basic Pilot Transaction Database: October 21, 2005-March 2007

c. *CASE OUTCOMES FOR PERSONS ATTESTING TO BEING NONCITIZENS*

From October 21, 2005, through March 2007, employers submitted cases for approximately 358,000 persons claiming to be work-authorized noncitizens on their Form I-9s. The outcomes of these verification attempts are displayed in Exhibit III-5. In 15 percent (52,383) of these cases, the information about name, Social Security number, and/or date of birth on the SSA database did not match the information that the employer submitted and SSA issued a tentative nonconfirmation that later became a final nonconfirmation.

Exhibit III-5: Verification Process for Persons Attesting to Being Noncitizens on Form I-9
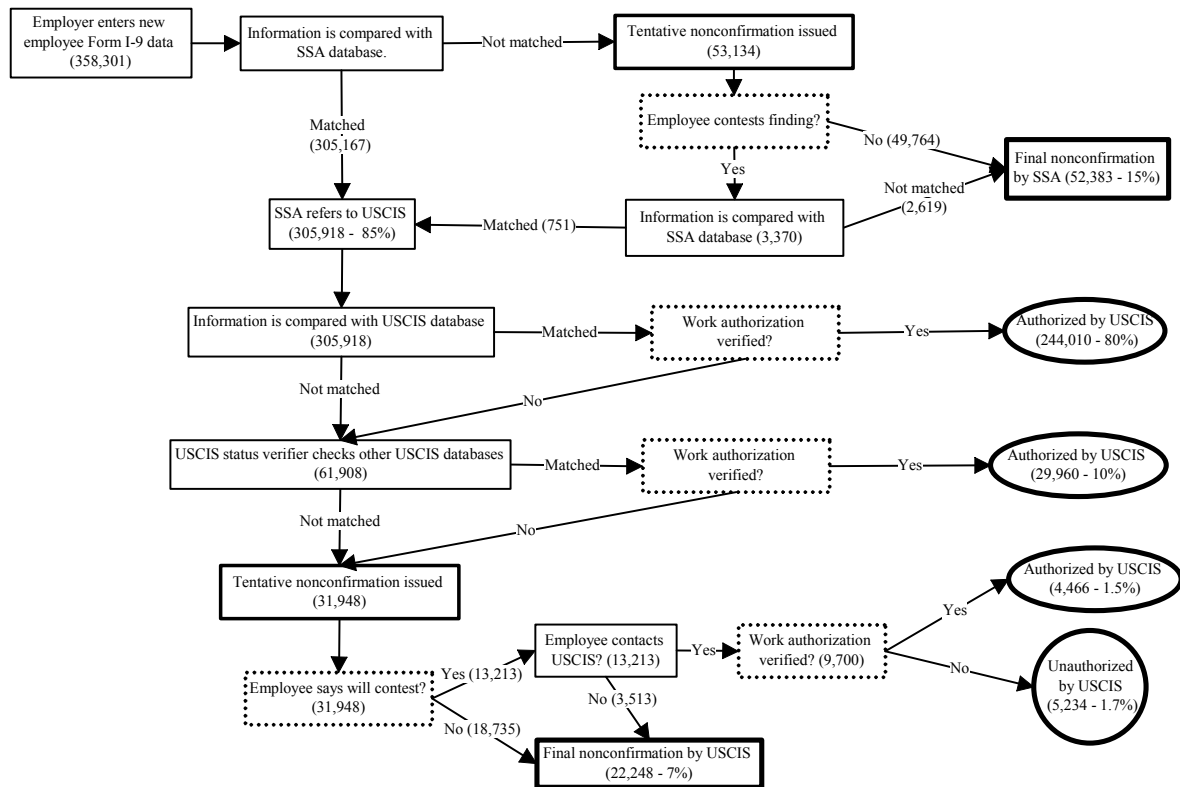
NOTE: Percentages refer to the percentage of cases referred to USCIS.

SOURCE: Web Basic Pilot Transaction Database: October 21, 2005-March 2007

Approximately 306,000 cases (85 percent) in which the employee attested to being a noncitizen were forwarded to USCIS after SSA confirmed that the Form I-9 identifying information matched the SSA information. The SSA finding usually was made instantaneously; however, in 751 of these referred cases, the finding was made after a resolved tentative nonconfirmation.

Since SSA cannot make a determination of work authorization for noncitizens, it is possible for noncitizens to resolve a tentative nonconfirmation with SSA and then receive a tentative nonconfirmation from USCIS.[5] During the 18-month period from October 21, 2005, through March 20, 2007, there were 521 cases in which SSA resolved a tentative nonconfirmation after a noncitizen contested it (not shown on Exhibit III-5). Twenty of these cases received tentative nonconfirmations from USCIS in addition to SSA.[6] In 15 of these 20 cases, the employee resolved the USCIS tentative nonconfirmation as well as the SSA tentative nonconfirmation. The other five cases received final nonconfirmation outcomes from USCIS. Thus, while it is unusual for an employee to receive tentative nonconfirmations from both SSA and USCIS, this situation does occur.

The employer-submitted information for noncitizen cases forwarded to USCIS is electronically matched against the USCIS database. Of cases referred to USCIS, 244,010 (80 percent) were confirmed as work-authorized at the first attempt. An additional 12 percent were confirmed as work-authorized after two or more attempts.

d. REASONS FOR TENTATIVE NONCONFIRMATIONS OF NONCITIZENS

Among the SSA final nonconfirmation cases for noncitizens, 19 percent had invalid Social Security numbers and 20 percent had an invalid date of birth and/or name (Exhibit III-6). In 61 percent of these cases, both name and date of birth disagreed with the SSA database. Fewer than 1 percent received final nonconfirmations for other reasons.

The distribution of reasons for SSA tentative nonconfirmations is quite different for noncitizens than for citizens. Although the greatest difference is in the "other reasons" category, the distribution of reasons for the remaining cases also differs dramatically between citizens and noncitizens. Citizens are less likely than noncitizens to have invalid Social Security numbers or be found not to match on both name and date of birth. These two categories are presumably more likely to be associated with fraudulent attestation of work authorization than are cases in which either the date of birth or the name provided by the employee does not match SSA data. The low percentage of noncitizen cases in the "other" category is presumably due to the fact that SSA sends noncitizen cases to USCIS for confirmation of work-authorization status when their submitted information is consistent with information on the SSA database. Among U.S. citizens in the "other reasons" category, the most common reason for a tentative nonconfirmation was a nonmatching citizenship status.

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[5] Prior to October 21, 2005, SSA was permitted to make a final decision about the work authorization of legal permanent residents and other noncitizens with permanent work authorization. SSA could not, however, make a final decision for other noncitizens. See Chapter V for additional information about this change.

[6] In 462 cases, USCIS confirmed the employee automatically, and in another 39 the employee was found to be work-authorized after an Immigration Status Verifier (ISV) examined the case during the second-stage verification process.

Exhibit III-6: Percentage of SSA Final Nonconfirmation Cases, by Reason for Tentative Nonconfirmation and Citizenship Status Attested to on Form I-9
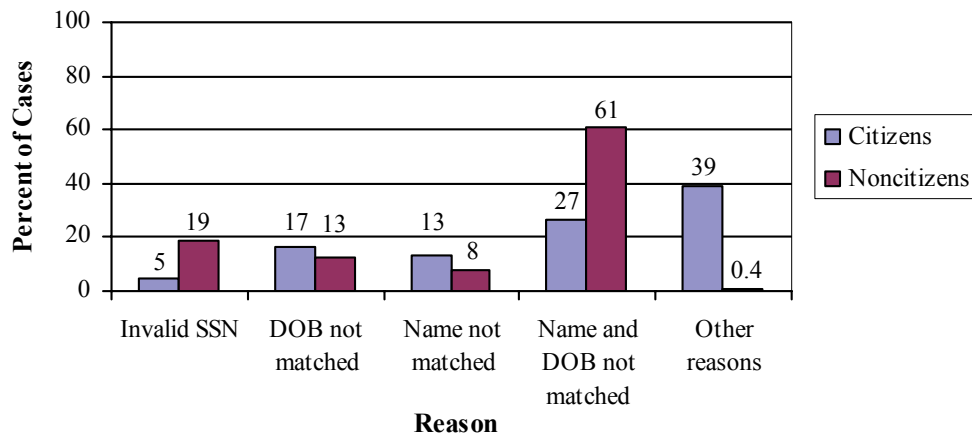
NOTE: Details may not add to total because of rounding.

SOURCE: Web Basic Pilot Transaction Database: October 21, 2005-March 2007

As Exhibit III-7 shows, the most common reasons why USCIS final nonconfirmation cases received tentative nonconfirmations were name not matched (49 percent), Alien Number not found (23 percent), date of birth not matched (9 percent), and other reasons (19 percent). Based on case closure codes, 47 percent of the final nonconfirmation cases were closed as "self-terminated," 21 percent were closed as "resolved unauthorized/terminated," and 4 percent were closed for other reasons (Exhibit III-8). Twenty-nine percent of USCIS final nonconfirmations were cases without closure codes.

Exhibit III-7: Percentage of USCIS Final Nonconfirmation Cases Among Employees Attesting to Being Noncitizens, by Reason for Tentative Nonconfirmation
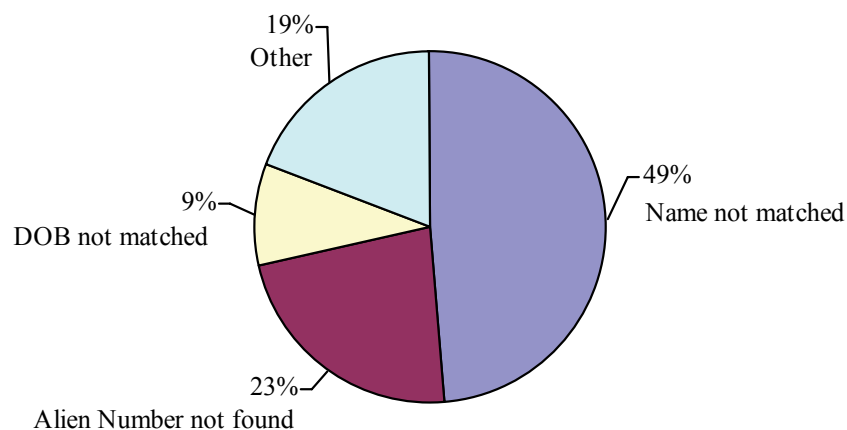
SOURCE: Web Basic Pilot Transaction Database: October 21, 2005-March 2007

Exhibit III-8: Percentage of USCIS Final Nonconfirmation Cases Among Employees Attesting to Being Noncitizens, by Employer Closure Code
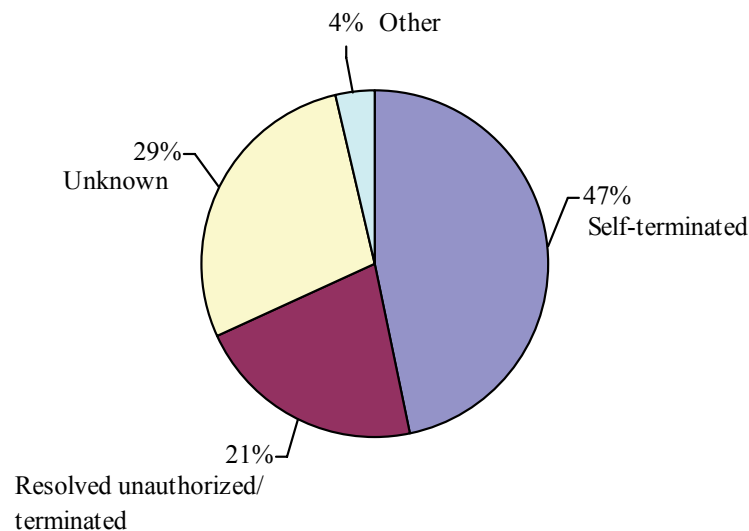
NOTE: Details do not add to total because of rounding.

SOURCE: Web Basic Pilot Transaction Database: October 21, 2005-March 2007

B. HOW WELL DID THE FEDERAL GOVERNMENT DESIGN AND IMPLEMENT THE WEB BASIC PILOT?

1. INTRODUCTION

Section B focuses on how well SSA and USCIS performed their roles in designing and implementing the Web Basic Pilot.[7] Several approaches to this task are used. First, in Section B.2 information from the transaction database is used to determine the extent to which the system is being used. This information is important in understanding the ability of the program to achieve its goals, because the Web Basic Pilot program cannot contribute to a reduction in unauthorized employment if employers do not use it.

Section B.3 examines the question of whether the system provided employers with appropriate and timely information about the work-authorization status of employees, and Section B.4 examines system accuracy. These are important questions because if the Web Basic Pilot does not detect fraudulent claims of work authorization, it is likely to be ineffective in reducing unauthorized employment. At the same time, if there are large numbers of erroneous tentative nonconfirmations, Web Basic Pilot costs for employers, employees, and the Federal government will be unacceptably high.

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[7] USCIS has the primary responsibility for designing, implementing, and operating the pilot programs mandated under the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA). SSA's responsibilities were largely limited to providing data for the initial verification process and any necessary follow-up with employees receiving SSA tentative nonconfirmations.

Since many of the modifications to the original Basic Pilot program that were implemented in the Web Basic Pilot program were made in response to employer suggestions on ways the program could be improved, Section B.5 examines employer satisfaction with the program. This information was obtained, in large part, from the Web survey of long-term users conducted between April and August 2006. Where feasible, the Web Basic Pilot is also compared with the original Basic Pilot program, since a major goal of the Web Basic Pilot is to make the system easier for employers to use. These comparisons are accomplished in two ways: (1) by analyzing responses to questions about the relative merits of the programs, which were asked of employers that have used both versions of the program; and (2) by comparing results from the current evaluation with those of the original Basic Pilot program evaluation. The remainder of this chapter emphasizes comparisons between the survey of long-term Web Basic Pilot users and the original Basic Pilot employer surveys, because these two surveys were both limited to employers that had used the system for at least a year before the survey was conducted.

Information from the case studies is used in this section to provide a more in-depth understanding of employers' perceptions of the Web Basic Pilot.

2. WEB BASIC PILOT USAGE

One key aspect of the process evaluation is program usage. Usage data includes information both on whether employers are signing up for the program and the extent to which those that have signed up are actually using it. It should be noted that mandating the use of electronic employment verification would presumably greatly increase the use of the Web Basic Pilot. However, restrictions on the full utilization of the Web Basic Pilot by employers currently signed up may well point to potential problems in the implementation of a mandatory national system.

The number of cases submitted to the Web Basic Pilot program is much greater now than in the past. From June 2004 through March 2007 (34 months), employers verified approximately 3.5 million new employees.[8] This is in contrast to the approximately 364,000 employee verifications conducted from November 1997 through December 1999 (26 months), when the first evaluation was conducted.

Most newly hired employees are not verified electronically. In the 6 months ending in March 2007, there were 1.1 million verification requests – approximately 4 percent of the

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[8] USCIS reports that as of March 30, 2007, 15,746 employers and 70,368 sites had been registered. As discussed in Chapter II, the definition of employers and the number of sites have changed since the start of the program, preventing an accurate comparison of the number of employers registered over time. However, there is no question that there are currently many more employers enrolled than there were in July 1999, when an estimated 1,189 employers had signed up for the program.

estimated 29 million new employees hired during that time.[9] The corresponding ratio for the original Basic Pilot was well under 1 percent.[10]

Web Basic Pilot employers were more likely than original Basic Pilot employers to start verifying cases within 3 months of signing up for the program. Exhibit III-9 shows the length of time between the signing of the Memorandum of Understanding (MOU) and when the employer first transmitted a case to the system. This analysis includes only employers that signed the MOU at least 1 year before construction of the transaction database for the evaluation. This exhibit shows that 57 percent of employers started using the Web Basic Pilot within 3 months of signing the MOU. This is a major improvement compared to the 38 percent of establishments that had used the original Basic Pilot system within 3 months of signing the MOU. This finding was expected, because the Web system should be much easier to set up than the PC-based original Basic Pilot, for which employers reported significant problems and delays in set-up.

Exhibit III-9: Length of Time Between Signing of the MOU and First Verification for All Web Basic Pilot Employers
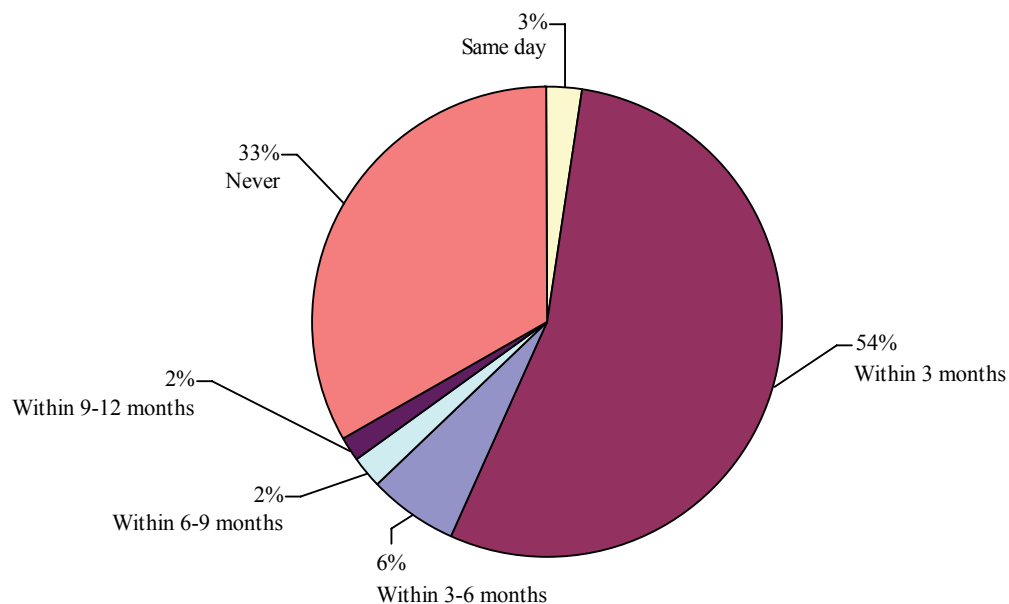
NOTE: Based on all employers that signed the MOU on or before March 31, 2006.

SOURCE: Web Basic Pilot Transaction Database: June 2004-March 2007

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[9] Estimated from the Job Openings and Labor Turnover Survey (JOLTS) and Business Patterns 2004, collected by the Department of Labor, Bureau of Labor Statistics. Since some employers prescreen potential employees, this percentage overestimates the percentage of new employees verified with the Web Basic Pilot. See Chapter II for additional information on this indicator.

[10] A precise estimate of this ratio cannot be made for the original Basic Pilot program, because the necessary JOLTS data are not available. However, it can be approximated by assuming that the number of newly hired employees in 1997 through 1999 was similar to that observed in 2000.

The evaluation team speculated that the difference in how long it took for original Basic Pilot and Web Basic Pilot employers to start the program might at least partially reflect the fact that many of the Web Basic Pilot employers had had experience with the Basic Pilot program and may therefore have been more likely to use the Web Basic Pilot quickly. Exhibit III-10 compares information on the length of time between the signing of the MOU and the first verification for long-term user survey respondents reporting that they had also used the original Basic Pilot program and those that had not. As expected, employers that had used the original Basic Pilot program were more likely than more recent users to start using the Web Basic Pilot system within 3 months of signing up (92 percent versus 85 percent, respectively).[11]

Exhibit III-10: Length of Time Between Signing of the MOU and First Verification for Employers in the Long-Term User Survey, by Whether the Employer Had Used the Original Basic Pilot Program

| Date of First Verification | All Employers in Long-Term User Survey | | Participated in Original Basic Pilot | | | |
| | | | No | | Yes | |
	Number	Percent	Number	Percent	Number	Percent
Same day	41	4.0	21	4.4	20	3.6
≤ 3 months	873	84.8	385	80.4	488	88.6
3-6 months	71	6.9	46	9.6	25	4.5
6-9 months	33	3.2	20	4.2	13	2.4
9-12 months	9	0.9	7	1.5	2	0.4
> 12 months	3	0.3	0	0.0	3	0.5
Total	**1,030**	**100.0**	**479**	**100.0**	**551**	**100.0**

NOTE: There are no cases in the "never" category, because these employers were not included in the long-term user survey.

SOURCE: Web Basic Pilot Transaction Database and Employer Survey of Long-Term Users: June 2004-March 2007

3. DID THE WEB BASIC PILOT PROVIDE EMPLOYERS WITH ACCURATE AND TIMELY INFORMATION ABOUT THE WORK-AUTHORIZATION STATUS OF EMPLOYEES?

Another process evaluation question is whether the system is providing employers with accurate information about the work-authorization status of employees and doing so in a timely manner.

The Web Basic Pilot instantly verified the work-authorization status of most employees. The Web Basic Pilot instantly confirmed the work-authorization status of 3.2 million (92 percent) of the 3.5 million cases electronically processed between its inception in June 2004 and March 2007. An additional 1 percent of cases (37,000) were verified as being work-authorized after initial review by a USCIS ISV without a tentative

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[11] Information on whether employers are continuing from the original Basic Pilot program was not captured on the employer database associated with the transaction database; therefore, the evaluation team can only do a breakdown for those employers in the survey of long-term Web Basic Pilot users, which, by definition, excludes those employers that had never used the system.

nonconfirmation being issued. According to the transaction database, 91 percent of these second-stage verification cases were resolved within 1 day of case submission, and almost all cases were verified by the fourth calendar day. Many of the cases that were not quickly resolved were cases in which employees were not work-authorized.

The percentage of cases automatically found to be work-authorized was considerably higher for the Web Basic Pilot than for the original Basic Pilot program. In the original Basic Pilot, 79 percent of cases were automatically found to be work-authorized by either SSA or INS, compared to 92 percent in the Web Basic Pilot.[12]

As Exhibit III-11 shows, the total percentage of cases found to be work-authorized was also higher in the Web Basic Pilot than in the original Basic Pilot program. The original Basic Pilot provided a final status of work-authorized for 87 percent of all processed cases (74 percent of all cases were found by SSA to be work-authorized, and 13 percent were USCIS work-authorization cases). For the Web Basic Pilot, 93 percent of all cases verified were eventually found to be work-authorized (84 percent by SSA and another 9 percent by USCIS). This improvement is presumably due at least in part to improvements in the SSA and USCIS databases. However, it is also likely that the expansion of the Basic Pilot program to all States has resulted in its being adopted by employers less likely to hire workers without work authorization.[13]

The Web Basic Pilot did not capture the specific number of unauthorized workers among unresolved cases. Seven percent of all cases submitted for verification were never resolved (i.e., they were labeled "Final nonconfirmation by SSA" or "Final nonconfirmation by USCIS"). In many of these cases, the employee decided not to contest a tentative nonconfirmation response from SSA or USCIS, because he or she was not work-authorized. However, in some of these cases employees undoubtedly failed to contest for some other reason (e.g., they quit their jobs for reasons unrelated to the program or the employer never informed them of the tentative nonconfirmation). Additionally, the case study indicates that, in some cases, employers do not correctly record the employee's decision to contest in the Web Basic Pilot.

4.   DID THE WEB BASIC PILOT MEET THE IIRIRA REQUIREMENTS FOR DATA ACCURACY?

The accuracy of the USCIS database used for verification has improved substantially since the start of the Basic Pilot program. However, further improvements are needed, especially if the Web Basic Pilot becomes a mandated national program. IRIRA states that "the… [legacy] Immigration and Naturalization Service shall update their information in a manner that promotes the maximum accuracy

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[12] These rates are not strictly comparable because of some differences in the cleaning routines used with the original Basic Pilot and Web Basic Pilot databases. However, there is no reason to believe that this has had a major effect on the estimates of case outcomes.

[13] This issue is explored in more depth in Chapter V.

and shall provide a process for the prompt correction of erroneous information…"
(Section 404(g)). USCIS officials reported that although major improvements in the

Exhibit III-11: Comparison of Outcomes from the Original Basic Pilot and Web Basic Pilot Programs

Outcome	Original Basic Pilot (November 1997- December 1999)	Web Basic Pilot (October 2004- March 2007)
Total transactions	**364,987**	**3,480,655**
SSA portion of transactions	86%	89%
USCIS portion of transactions	14%	11%
SSA outcomes	**364,987**	**3,480,655**
Initial work-authorized	70%	84%
Work-authorized after 2 or more attempts	4%	0%
Final nonconfirmation	12%	5%
Referred to USCIS	14%	11%
USCIS outcomes	**52,347**	**364,293**
Initial work-authorized	61%	79%
Work-authorized at second attempt	29%	10%
Work-authorized at third attempt	2%	1%
Not work-authorized	0%	7%
Final nonconfirmation	8%	3%
Indicators		
Percentage of all cases verified automatically	79%	92%
Erroneous tentative nonconfirmation rate for employees work-authorized by Basic Pilot	4.8%	0.6%

NOTE: Details do not add to total because of rounding.

SOURCES: Original Basic Pilot and Web Basic Pilot Transaction Databases

timeliness and accuracy of the USCIS databases have been made, the database used for verification is still not always up to date. USCIS staff believe that data accuracy will be improved in the future through more expeditious access to data sources and by USCIS business and systems transformation efforts currently underway.[14]

The erroneous tentative nonconfirmation rate for employees found to be work-authorized at any time during the Web Basic Pilot process in the first half of fiscal year 2007 was less than 1 percent (0.53 percent); the estimated erroneous tentative nonconfirmation rate for all cases sent to the Web Basic Pilot in this timeframe was 0.81 percent.[15] Although the erroneous tentative nonconfirmation rates for all employees are fairly low, they are much higher for foreign-born citizens than for U.S.-born employees and noncitizens. (The erroneous tentative nonconfirmation rate for ever-authorized foreign-born citizens between October 2004 and 2007 is approximately 10 percent.[16])

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[14] See Chapter V for a discussion of the changes in accuracy since the start of the Web Basic Pilot.

[15] See Chapter II for an explanation of how these estimates were calculated.

[16] See Chapter IV for additional discussion of the disparate rates based on birth and citizenship status.

Unlike the original Basic Pilot, the Web Basic Pilot software includes a number of editing features designed to reduce data entry errors. The original Basic Pilot did not include any edit checks to identify even the most obvious data entry errors (e.g., an employee with a birthdate in the future or entry of a date that is clearly invalid). As recommended in earlier evaluations, the Web Basic Pilot has incorporated a number of edit features. When improper entries are made into fields on the verification screen, a red error marker appears next to the field. If the employer attempts to submit uncorrected entries, the system provides an error message requiring that the entry be corrected before verification, as in the following situations:

- A hyphenated last name will receive the error message: "Required Last Name must be between 1 and 40 alphabetic characters. Numbers and special characters are not allowed. Spaces, hyphens, and quotes are not allowed."

- A Social Security number formatted as 123-456-789 will receive the error message: "Required Social Security number must be of the format 'nnn-nn-nnnn', 'nnn nn nnnn', or 'nnnnnnnnn'."

- A hire date entry of 7/18/1800 will receive two error messages: "Required Hire Date must be greater than or equal to Date of Birth" and "Required Hire Date must be between 11/01/1997 and [current date]."[17]

- A birthdate entry of 23/5/1982 will receive the error message: "Required Date of Birth must be a valid date in the format of MM/DD/YYYY. The date must be less than or equal to the date [current date]." A similar error message appears if an invalid date has been entered into the hire date field.

Although these changes are expected to reduce employer input errors, 6 percent of cases originally submitted to the system between June 2004 and March 2007 were closed in error by employers. Another 1 percent appear to be cases that the employer should have closed in error but failed to do so.[18]

These checks represent significant improvements over the original Basic Pilot. However, there is room for further improvements in the edit checks. For example:

- If a birthdate is mistakenly entered as 7/18/1800, no error message appears for an out-of-range entry.

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[17] The system currently precludes such an entry; however, it could be modified to allow this and help detect cases in which the hire date occurs after the verification date.

[18] This information is based on the results of cleaning routines applied to the original transaction database used to create the analysis database on which this report is based. Additional information about the cleaning procedures is contained in Appendix B.

- The edit checks should at least require a "soft edit" when the employee's age is calculated to be below a specified cut-off age (e.g., 13).[19]

- The edit for the permissible hire date could be strengthened by using a soft edit that prohibits the entry of employees hired more than X (e.g., 30) days earlier and a reminder that the Web Basic Pilot program should not be used to verify employees other than those newly hired.[20]

Note that edit checks cannot eliminate all data input errors. For example, data input software would not correct for inputting some errors in dates (e.g., 0508 rather than 0805). In fact, when long-term users were asked about the Web Basic Pilot computer system, 29 percent indicated that it is easy to make errors when entering employee information. It is possible that additional error checks could further decrease inaccuracies. However, there are clearly limits to the ability of error checks to catch employer input errors.

According to the employer survey respondents, 52 percent of long-term Web Basic Pilot users had received at least one tentative nonconfirmation finding that was due to data entry mistakes. Of those, 88 percent had had tentative nonconfirmations due to errors that they discovered themselves. Twenty-three percent reported that they had also had data entry errors discovered by SSA or USCIS, and 28 percent reported having had a case in which the employee found the error. Employers could do a better job of double-checking their data before submitting it to the Web Basic Pilot system, since tentative nonconfirmations due to data entry errors are potentially costly for employers, employees, and the Federal government. The Web Basic Pilot added a screen for the employer to verify the information entered before submitting it for verification. However, it appears that this additional step has not eliminated problems due to employer data entry errors.

5. WHAT WERE EMPLOYERS' GENERAL VIEWS OF THE WEB BASIC PILOT DESIGNED AND IMPLEMENTED BY THE FEDERAL GOVERNMENT?

a. HOW SATISFIED ARE EMPLOYERS WITH THE WEB BASIC PILOT PROGRAM?

A number of the modifications to the original Basic Pilot that were implemented in the Web Basic Pilot were made to address problems identified by employers in earlier evaluations. For example, the change to Web access was in response to the problems and costs employers encountered in installing the original Basic Pilot software on their computers.

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[19] A "soft edit" warns the user to recheck the data but does not prevent entry of the data, as with a "hard edit." Soft edits are appropriate when a situation is unlikely but not impossible (e.g., although a small child may receive income from modeling work, few small children work; therefore, most birthdate entries indicating a young child will be erroneous entries).

[20] If pending legislation requiring use of the Web Basic Pilot to verify existing employees is passed, this edit check would have to be deactivated.

Employers expressed satisfaction with many aspects of the Web Basic Pilot. Almost all Web Basic Pilot users (99 percent) reported that the on-line registration process was easy to complete, and most (87 percent) indicated that registration did not consume much of their time (Exhibit III-12). In addition, most employers reported that the on-line tutorial answered all of their questions about the on-line system (85 percent), adequately prepared them to use the system (96 percent), and was not hard to use (97 percent) and that the content was easy to understand (98 percent).

Exhibit III-12: Employers' Opinions about Their Experiences with the Web Basic Pilot Registration and Start-up

Opinion	Strongly Agree (%)	Agree (%)	Disagree (%)	Strongly Disagree (%)
The on-line registration process was easy to complete	39.3	59.3	1.3	0.1
The on-line registration process was too time consuming	2.4	11.0	72.9	13.6
During the registration process, it was difficult to figure out the correct industry code to use	4.5	21.2	65.9	8.4
The content of the on-line tutorial was easy to understand	28.1	69.7	1.8	0.4
The on-line tutorial was hard to use	0.2	2.6	75.9	21.2
The tutorial adequately prepared us to use the on-line verification system	29.8	66.5	2.9	0.8
The tutorial answers all of our questions about using the on-line verification system	20.8	64.3	13.8	1.1
The tutorial takes too long to complete	3.8	17.8	67.9	10.5
It is a burden to have to pass the Mastery Test before being allowed to use the on-line verification system	2.7	13.1	64.9	19.3
It is important to have to pass the Mastery Test before being allowed to use the on-line verification system	42.8	49.2	7.0	1.0
It is easy for system users to obtain a lost or forgotten password from the system help desk	17.5	63.6	14.4	4.5
The available Web Basic Pilot system reports cover all of our reporting needs	20.4	70.6	7.5	1.6

NOTE: Details may not add to total because of rounding.

SOURCE: Web Basic Pilot Employer Survey of Long-Term Users

When long-term users were asked about the resources and features that are provided as part of the Web Basic Pilot system, more than 63 percent reported that the toll-free telephone number for the help desk, reports to monitor the status of employee cases, and the on-line tutorial were very helpful resources for completing the verification process (not shown in table).

The technical changes made in the Web Basic Pilot appear to have reduced employer burden and improved employer satisfaction. When Web Basic Pilot employers were asked what direct costs the establishment incurred in setting up the pilot system, computer hardware was cited by only 9 percent of long-term users, compared to 37 percent of employers that responded to the original Basic Pilot employer survey. Similarly, 15 percent of long-term Web Basic Pilot users reported computer maintenance as an annual direct cost, compared to 42 percent of employers in the original Basic Pilot survey.

Another indication that the Web Basic Pilot handles the verification process more efficiently than the original Basic Pilot was that only 5 percent of Web Basic Pilot employers agreed or strongly agreed that establishing employment eligibility was a burden because there were so many tentative nonconfirmations, compared to 15 percent of original Basic Pilot employers surveyed. This decrease may be attributable, at least in part, to increased accuracy in SSA and USCIS databases rather than to programmatic changes.

Employers were more satisfied with the Web Basic Pilot than with the original Basic Pilot. A large majority of long-term Web Basic Pilot users who had also used the original Basic Pilot (88 percent) reported that the benefits of the Web Basic Pilot verification system are stronger. In addition, as shown in Exhibit III-13, more than 70 percent indicated that the Web Basic Pilot is much better on "the time required to verify" and "technical features" (i.e., ease of connecting to the government database). Sixty-two percent reported that the Web Basic Pilot entails much less burden for verification, compared to the original Basic Pilot. In addition, 61 percent suggested that the tutorial in the Web Basic Pilot was improved considerably over the original Basic Pilot. About 34 percent reported no difference in verification costs between the Web Basic Pilot and the original Basic Pilot, and 30 percent indicated that the reliability of verification is about the same between the two pilots.

Long-term Web Basic Pilot users were more likely than long-term original Basic Pilot users to express overall satisfaction with the Basic Pilot. Exhibit III-14 shows the normal distribution for the satisfaction scores. The effect size estimate of 0.4 (on a scale ranging from 0 to 1) suggests that there is a medium-sized difference between the satisfaction level with the Web Basic Pilot and the original Basic Pilot.

The difference in user satisfaction between the original Basic Pilot and the Web Basic Pilot may be explained, at least in part, by differences in employer characteristics. To determine whether employer characteristics can explain the observed difference in employer satisfaction, the evaluation team examined the differences in satisfaction between employers with similar characteristics in the original Basic Pilot and the Web Basic Pilot (Exhibit III-15). None of these differences were statistically significant. However, this may be due to the small sample sizes in many of the employer categories.

Exhibit III-13: Employers' Evaluation of the Web Basic Pilot in Comparison to the Original Basic Pilot
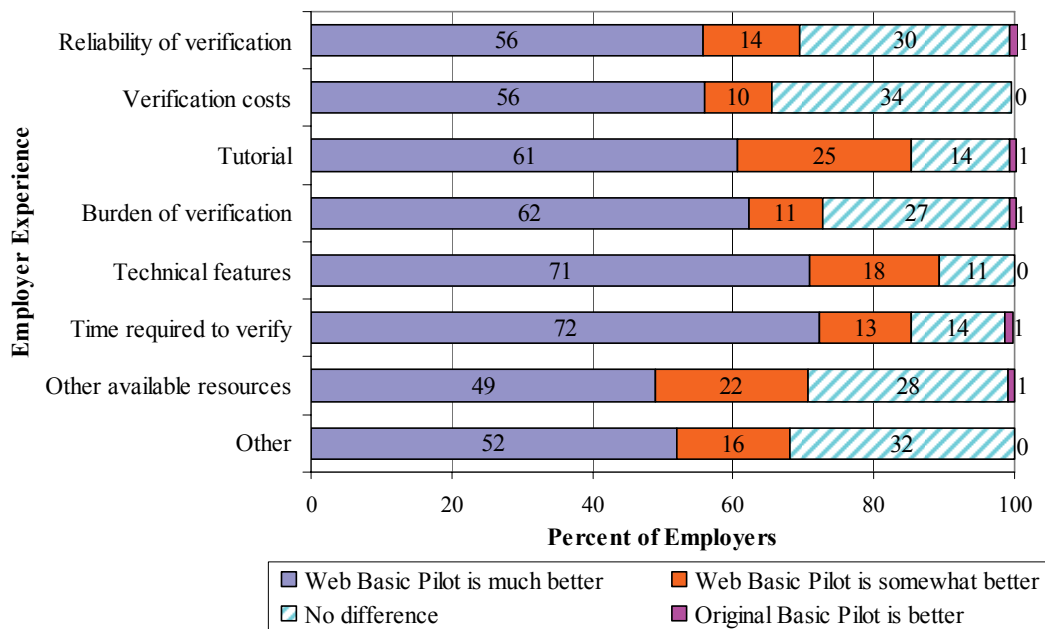
SOURCE: Web Basic Pilot Employer Survey of Long-Term Users

Exhibit III-14: Frequency Distributions of Scores for Employers' Satisfaction with the Web Basic Pilot and the Original Basic Pilot
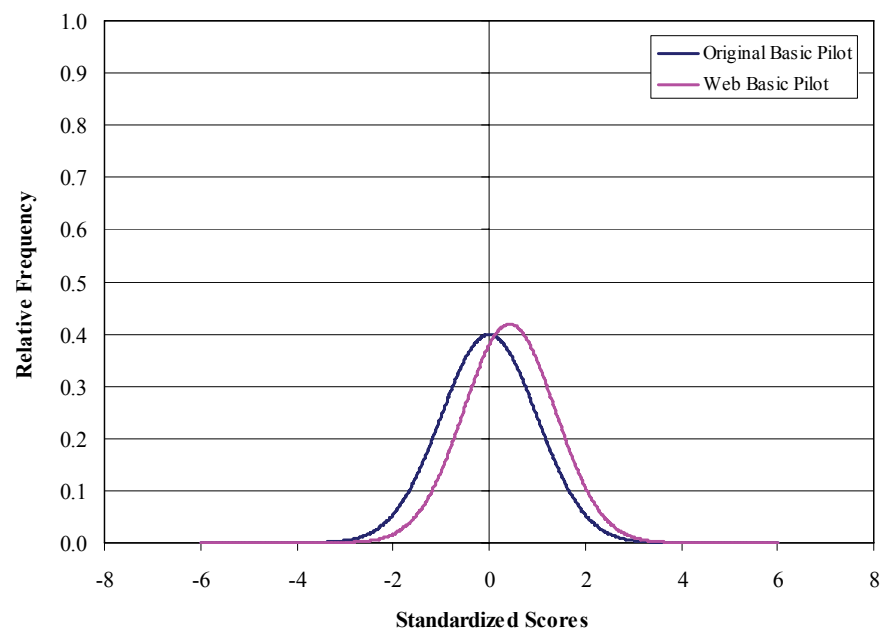
NOTE: Standardized scores were calculated by setting the mean score for the original Basic Pilot program to 0 with a standard deviation of 1.

SOURCE: Web Basic Pilot Survey of Long-Term Users and Original Basic Pilot Survey of Active Users

Exhibit III-15: Comparison of Mean Satisfaction Score, by Employer Characteristics

Employer Characteristic	Original Basic Pilot		Web Basic Pilot Long-Term Users	
	Number of Cases	Mean	Number of Cases	Mean
Size				
< 100 employees	301	486.5	182	497.0
100-500 employees	421	488.1	444	492.7
> 500 employees	273	510.5	403	510.0
Percentage of immigrant employees				
< 5%	155	512.4	23	501.7
6-40%	310	490.2	403	497.7
> 40%	370	495.5	582	500.5
Industry				
Agriculture, forestry, fishing, hunting	22	503.6	41	476.6
Mining, utilities, construction	17	502.4	49	540.1
Animal food manufacturing	215	500.9	188	495.9
Other food/beverage/tobacco manufacturing	N/A	N/A	69	486.0
Other manufacturing	175	475.8	138	492.7
Wholesale/retail trade	70	513.0	43	507.1
Professional/scientific/technical/education/arts	N/A	N/A	50	509.5
Employment services	136	509.5	106	517.1
Public administration/social services	168	485.0	114	496.7
Accommodation/food services	N/A	N/A	192	502.6
Other industries	15	500.5	39	483.8
Region				
California	402	506.0	159	500.4
Arizona/Texas	195	481.2	144	501.7
Northeast	139	495.7	125	490.4
Northern/West	169	488.3	207	497.6
Midwest	182	495.8	186	502.6
Southern	126	511.0	142	501.6
Florida	71	498.6	66	514.5

NOTE: Industry codes were defined slightly differently for the original Basic Pilot. Satisfaction was measured using an item response theory scale score standardized to a mean of 500 and a standard deviation of 100. N/A = not available.

SOURCES: Original Basic Pilot Employer Surveys, Web Basic Pilot Employer Survey of Long-Term Users, and Web Basic Pilot Employer Registration Data

The evaluation of the original Basic Pilot program found that several employer characteristics were associated with satisfaction. Employers in southern States and those who had low maintenance costs reported greater satisfaction. However, a similar analysis for the Web Basic Pilot program indicated that only one employer characteristic predicted higher satisfaction: Larger employers were more likely to have a high satisfaction level.[21]

The case studies provided additional information for understanding employer satisfaction with the Web Basic Pilot. The five case study employers ranged from being somewhat satisfied to being very satisfied with the Web Basic Pilot program. These employers reported very few difficulties with the on-line system itself. None of the employers encountered any problems with registering for the Web Basic Pilot program or any ongoing technical problems. Furthermore, although they were not directly asked which they preferred, none of the three case study employers that had used the original Basic Pilot indicated that they liked the original program better.

Not surprisingly, employers that never used the Web Basic Pilot or used the system but terminated use appear to be less satisfied than Web Basic Pilot users. As of March 31, 2007, approximately 4 percent of employers that had signed up for the Web Basic Pilot Program had informed USCIS that they were terminating their use of the program.[22] Telephone interviews with a small number of these employers identified a variety of reasons for termination, including the cost of hiring employees to replace those found to be unauthorized; the cost of training employees found to be unauthorized; frustration with inaccuracies in the Federal data, which led to employees having to go to SSA field offices; the extra time and paperwork required by the program; little perceived benefit compared to the Form I-9 process; difficulties in meeting the 3-day requirement for submitting cases to the Web Basic Pilot Program; a belief that the program did not provide the employer and employee with sufficient information when a tentative nonconfirmation was issued; distance from the nearest SSA field office, which made it difficult for employees to resolve tentative nonconfirmations; and dissatisfaction with the fact that Basic Pilot participants had been identified to Congress and the White House.

Of the nine employers interviewed because they had not used the Web Basic Pilot Program after 3 months, four said they planned to use it but had not had the opportunity to complete the tutorial and Mastery Test. Other non-users in this group expressed dissatisfactions similar to those identified by employers that had terminated their use of the system. These dissatisfactions included the program's being too time-consuming and the time requirements being difficult to follow. Other problems identified by this group were language problems, making it difficult to explain to employees what they needed to do to resolve a tentative nonconfirmation; difficulty in accessing Spanish versions of Web Basic Pilot documents; slowness in response times; an excessive amount of time required to complete the tutorial and Mastery Test; and insufficient personnel time to use

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[21] ANOVA indicated that the difference between employers in the mining, utilities, or construction industries and other employers was close to significantly different (p = 0.065).

[22] Thirty-eight percent of terminations took place within 30 days after signing the MOU, 13 percent of terminations occurred between 31 and 90 days after signing the MOU, and the remaining 49 percent of terminations happened 91 days after signing the MOU.

the system. Two of these employers found the registration process difficult. One employer had a problem in loading the Mastery Test that the help desk was unable to resolve after several contacts. Another employer had trouble retrieving forms from the Resource area of the Web site. One employer signed up for the program because it was required for a contract the company was seeking. When the employer did not win the contract, it was felt that the program was "not at all appropriate" to the company because all new employees were personally recommended by current employees.

Employers that terminated their use of the program or never used it expressed satisfaction with some aspects of the program, including the tutorial and Mastery Test. All nine employers that had terminated their use of the program thought that the Web Basic Pilot on-line tutorial was well-done, informative, easy to understand, and user friendly and that the Mastery Test was a useful training tool. Some of them also expressed satisfaction with how the program operated. Employers that terminated their use of the program because they were not satisfied reported that the system had potential and that it was an easy, accessible program. Among employers that had not used the program, four gave positive feedback on the tutorial and some had positive things to say about the Mastery Test.

b. *WHAT DID EMPLOYERS PERCEIVE AS ADVANTAGES AND DISADVANTAGES OF THE WEB BASIC PILOT?*

This section examines the responses of Web survey and case study employers to questions about the advantages and disadvantages of the Web Basic Pilot, including experiences with the system registration and start-up process, resources and features of the system, and system navigation.

Most employers found the Web Basic Pilot to be an effective and reliable tool for employment verification. When employers were asked to rate their experiences with the Web Basic Pilot, 91 percent of long-term users agreed or strongly agreed that it is an effective tool for employment verification (Exhibit III-16). This is slightly less than the 96 percent of original Basic Pilot employers that rated that system as an effective tool. Additionally, 88 percent of long-term Web Basic Pilot users agreed or strongly agreed that it reduces the chances of getting a mismatched SSA earnings letter.

Employers generally indicated that the Web Basic Pilot was not burdensome. The vast majority of Web Basic Pilot employers (96 percent of long-term users) disagreed or strongly disagreed that the tasks required by the system overburden their staff (Exhibit III-16). This was a slight improvement over the 92 percent of original Basic Pilot employers providing these responses. Furthermore, 70 percent of long-term users found the system navigation and data entry features of the Web Basic Pilot very user friendly, and an additional 29 percent indicated that these aspects of the pilot were somewhat user friendly (data not shown).

Exhibit III-16: Employers' Opinions about Their Experiences with the Web Basic Pilot

Opinion	Strongly Disagree (%)	Disagree (%)	Agree (%)	Strongly Agree (%)
The tasks required by the verification system overburden the staff	39.0	56.8	2.6	1.7
It is impossible to fulfill all the employer obligations required by the Web Basic Pilot verification process	39.9	55.3	3.0	1.8
Overall, the Web Basic Pilot is an effective tool for employment verification	6.5	2.9	28.6	62.0
It reduces the chances of getting a mismatched SSA earnings letter	6.6	5.8	34.6	53.0

NOTE: Details may not add to total because of rounding.

SOURCE: Web Basic Pilot Employer Survey of Long-Term Users

The general enthusiasm employers expressed in the Web survey was also reflected by most of the case study employers. For example, one case study employer reported a high level of confidence in the Web Basic Pilot and called the system efficient and precise. Another employer stated that the benefits of using the system greatly outweigh the costs of maintaining it. However, as discussed above, these users do not appear to reflect the opinions of employers that terminated their use of the system or had not used it after 3 months.

Although the improvements made to the original Basic Pilot and the benefits of the Web Basic Pilot were stressed by most employers, some employers reported experiencing some difficulties with the Web Basic Pilot. Eleven percent of long-term Web Basic Pilot users that responded to the employer surveys encountered difficulties using the program. Some problems encountered were system unavailability during certain times (13 percent), accessing the system (12 percent), and training new staff to perform verifications using the system (12 percent). Employers also identified problems related to passwords and cases involving tentative nonconfirmations. Exhibit III-17 provides some examples of problems that employers reported in the employer surveys.

Some employers expressed frustration with their interactions with SSA and USCIS in relation to the Web Basic Pilot. Some employers commented that local SSA representatives were not familiar with the Web Basic Pilot program and did not return their calls, were unable to answer questions, and sometimes made mistakes that resulted in final nonconfirmation findings for employees. In addition, several employees commented that there was a lack of coordination between SSA and USCIS in terms of ensuring that both agencies had up-to-date records on immigrants. A few employers also requested that the program require faster turnaround times for both SSA and USCIS.

Exhibit III-17: Examples of Employer-Reported Difficulties with the Web Basic Pilot

Constantly having to get my password reset; after resolving a case, it will not let me use the back button to get back to the logout menu.

Forgetting passwords and then being locked out, and having to wait until a new password can be issued.

Having to check back for tentative nonconfirmations is a burden. An e-mail should be sent when a result comes through. Also, it is very difficult for employees to find a way to reach USCIS if they are referred to them.

Legal questions in regards to being in compliance with the laws set forth. Some of the questions are just not answered in the handbook or on-line.

Meeting the requirements of the tentative nonconfirmation letters and waiting periods.

Not able to open tentative nonconfirmation cases to edit if an error was inputed. Forced to re-enter the entire verification on-line and then go back to the invalid query and resolve it.

Occasionally someone with a good authorization card does not initially pass the Basic Pilot but does at a later date. System sometimes doesn't have current information.

Program only verifies first seven letters of the last name and the first letter of the first name. Also, if a verification needs INS (sic) verification the program does not update the status as indicated.

Sometimes it shows nonconfirmation. Our employee goes to SSA or USCIS. They say they match but still the program says nonconfirmation.

We have encountered difficulties when staff have questions in regard to unique situations – sometimes help desk personnel do not know the answers.

When immigration is still being checked, the system never alerts us that there has been either the approval or the denial.

With the verification itself, especially for new employees on a specific visa type, refugees and employees who have obtained U.S. citizenship.

Final nonconfirmation with SSA. The SSA office is not educated on the Basic Pilot program, and they do not go out of their way to help.

Problems logging in on first time, had to reset passwords a couple of times.

Students on J-1 and F-1 visas do not have specific end dates on their I-94, which makes it difficult to enter an end date.

When doing an initial verification on one employee, the system put additional verifications and case numbers on the same person in the system at once.

Getting I-9s from field to corporate within 3 days.

Management found it too cumbersome to wait 10 days to resolve tentative nonconfirmations because it took a toll on the hiring process when new hires were found unauthorized and the hiring process had to be started again.

Large training costs for employees who were found to be unauthorized at the end of the 10-day timeframe for contesting.

Exhibit III-17: Examples of Employer-Reported Difficulties with the Web Basic Pilot (Continued)

Everyone was being sent to SSA. The system needs to be based on more accurate information.

There was no benefit to using the program since only one or two employees received tentative nonconfirmations.

Management personnel felt that the Web Basic Pilot did not provide the employer and employee with sufficient information when a tentative nonconfirmation was issued. They understood the need to respect employee privacy, but felt that additional information about the problem would help employers better communicate with the employee.

The closest SSA office was 50 miles away, making the process a "hassle" for both the employer and employees.

Management personnel were very unhappy that participating employers had been identified to Congress and the White House.

Did not receive satisfactory responses from the help desk about how to handle temporary instructors at a university who required payment but did not have to complete the usual HR paperwork.

Problems accessing Spanish versions of Web Basic Pilot documents.

Expected the response times in the Web Basic Pilot to be much quicker.

The tutorial and Mastery Test were too long and the program itself was too complicated.

The company generally did not hire "high risk" employees, and all new employees were personal recommendations of current employees. New employees also had extensive background checks by a private firm.

The registration process was difficult; the process was very complicated and had too many steps.

It was difficult to find the correct Web site, and upon reaching the site it was not user friendly.

SOURCE: Web Basic Pilot Employer Survey of Long-Term Users, Interviews with Employers That Terminated, and Interviews with Non-users

Some employers believe that they lose their training investment as a result of electronic employment verification through the Web Basic Pilot process. IIRIRA requires employers to wait up to a total of 10 Federal working days for employees to contest their cases and for SSA or USCIS to issue a final case finding. The Web Basic Pilot prohibits employers from dismissing or withholding training from these employees during this period. One case study employer found this process disadvantageous because the company had to invest in hiring and training employees without certainty that they would be able to continue employment. This employer reported a higher turnover rate as a result of using the Web Basic Pilot, as well as significant costs associated with providing training, safety equipment, and handbooks to so many employees who were ultimately lost because of final nonconfirmation findings.

C. IS THE TENTATIVE NONCONFIRMATION NOTIFICATION PROCESS WELL-DESIGNED TO ENSURE THAT EMPLOYEES UNDERSTAND THEIR RIGHTS AND RESPONSIBILITIES?

1. BACKGROUND

Employers are supposed to print out and give employees a notice of an SSA or USCIS tentative nonconfirmation, as appropriate. If the employee decides to contest the finding, the employer is supposed to print out a referral letter telling the employee how to contest.

2. FINDINGS

Employee notices are not available in languages other than English or Spanish. The Office of Special Counsel for Unfair Immigration-Related Employment Practices in the U.S. Department of Justice has received calls from employees who are unable to understand the employee notices because they are available only in English and Spanish. USCIS staff report that they are working on expanding the number of languages in which the notices are available.

The employee notices are not written at a literacy level that is appropriate for employees, especially those who have limited English skills. The Office of Special Counsel has indicated that the language used in these notices and letters cannot be understood easily by many employees. When one of the notices was evaluated using MS Word's readability capability, the notice received a Flesch-Kincaid Grade Level score of 12.0. The suggested readability level "for most standard documents" is a grade level from 7.0 to 8.0. Given that a disproportionate number of tentative nonconfirmations are received by foreign-born workers, it would be reasonable to set the readability level for documents at an even lower grade level than for "standard documents."[23]

D HAVE CHANGES DESIGNED TO INCREASE EMPLOYER UNDERSTANDING OF THE WEB BASIC PILOT REQUIREMENTS INCREASED EMPLOYER COMPLIANCE?

1. INTRODUCTION

Training materials and requirements for passing the tutorial were improved. In implementing the Web Basic Pilot, modifications were made to the original Basic Pilot to increase employer compliance with pilot program requirements. The primary modifications were enhancements to the training materials available to employers, including a mandatory on-line tutorial and the requirement that employers pass a Mastery Test on pilot procedures prior to using the system. These changes were consistent with prior evaluation recommendations.

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[23] This score should be viewed as a rough measure of readability; revisions of the notices and letters should be evaluated by experts.

This section explores the extent to which employers complied with the Web Basic Pilot requirements and, where possible, compares the compliance of Web Basic Pilot and original Basic Pilot employers. Most of the analysis is based on employers' self-reported behavior. Even though employers were given assurances that the information they provided would be kept confidential, it is possible that employers not adhering to required procedures underreported such behavior. The case study provides some insights into this possibility. Although respondents generally appeared to be candid in their responses, it was clear that, at least for some large employers, the central office respondent was not aware of what was happening in the field locations where the procedures were actually implemented.

2.   TRAINING IMPROVEMENTS

System testing verified that a recently enrolled user had to view all screens of the tutorial and pass the Mastery Test to obtain access to the system. However, when a user received an "incorrect answer" response on the Mastery Test, it was possible to use the browser's back button to access the previous screen and submit a different answer until the correct answer had been selected. Thus, a recently enrolled user might pass the test without understanding the correct procedures. In addition, users who passed the Mastery Test were not provided with the correct responses to any questions they answered incorrectly.

These additional changes to the tutorial could potentially further improve its effectiveness:

- The program could further improve employers' understanding of the Web Basic Pilot processes by providing and explaining answers to any questions answered incorrectly.

- Periodic retesting and, if needed, refresher training could help to ensure that the material is not forgotten and would help to prevent recently enrolled users from assuming the identity of approved users without passing the Mastery Test.

- Training modules for staff other than direct users (e.g., human resources managers) could help prevent procedural violations that might be the responsibility of supervisors and managers who do not actually input information into the Web Basic Pilot system. For example, managers need to be aware that they may not take adverse actions against employees while the employee is resolving a tentative nonconfirmation.

3.   DID EMPLOYERS FOLLOW THE TRAINING PROCEDURES IMPLEMENTED FOR THE WEB BASIC PILOT?

Not all employers followed the procedures for training employees on the Web Basic Pilot system. When asked how many staff had completed the on-line tutorial, 84 percent of long-term Web Basic Pilot users indicated that all staff currently using the system for verification had completed the tutorial. These percentages were not 100 percent because it is possible for staff members who have not completed the tutorial to use the user name

and password of a coworker who has completed the tutorial. On the employer survey, some users commented that they were not aware of any tutorial or Mastery Test, and others stated that their supervisors had never instructed them to complete the tutorial and Mastery Test. Only 1 percent of long-term users indicated that no current system users had completed the tutorial.

4.   DID EMPLOYERS USE THE DATABASE TO VERIFY ALL NEWLY HIRED WORKERS AND ONLY NEWLY HIRED WORKERS?

A majority of employers that used the Web Basic Pilot reported that they used it to verify all of their newly hired employees. The majority of employers that were long-term users of the Web Basic Pilot (85 percent) reported that they used the Web Basic Pilot to verify all new employees, including employees who claimed to be U.S. citizens or noncitizens. All five case study employers also indicated that they used the Web Basic Pilot for all new employees.

Some employers used the Web Basic Pilot to screen job applicants. When asked for whom they used the Web Basic Pilot to verify work authorization, 16 percent of employers in the Web survey of long-term users reported that they used the Web Basic Pilot for job applicants. In addition, almost one-third (31 percent) said they used the Web Basic Pilot to verify work authorization before an employee's first day of paid work; several of these employers stated specifically that the Web Basic Pilot was used at the time of application. This second finding suggests that even though some employers may be using the system correctly to verify newly hired employees, they might not allow these employees to start work if they are not confirmed as authorized to work. This could mean that employees who receive tentative nonconfirmation responses have a delayed start to their employment compared to other employees.[24]

Two case study employers used the system to screen job applicants before hiring them. Neither employer's staff gave any indication that they were aware of their misuse of the system. In fact, one employer's staff indicated that the only time they were not able to follow proper procedures was when they had to have employees start working before they had time to enter employee information into the Web Basic Pilot. This same employer expressed the opinion that all employers should be required to use the system to prescreen job applicants. Employee interviews at these two employers revealed that neither employer followed a consistent hiring and verification process, but it was clear that employees at both sites were sometimes screened before being allowed to work.

Employers that screened job applicants often notified applicants who received tentative nonconfirmations, providing them with an opportunity to resolve problems and be hired after resolving the tentative nonconfirmation. One reason for prohibiting verification of job applicants is the concern that employers will deny employment to applicants without giving them an opportunity to contest tentative nonconfirmation findings. However, at least some employers that verify prior to hiring do notify job

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[24] The evaluation did not obtain information on the time between being hired and starting work, making it difficult to determine the impact of tentative nonconfirmations on the lag.

applicants of tentative nonconfirmation findings. Although such procedures should not result in employees being denied work without an opportunity to contest their tentative nonconfirmation findings, they may result in employees having a delayed start date and a resultant loss in wages.

Among the 16 percent of long-term Web Basic Pilot users that said they used the system to screen job applicants, very few (3 percent) reported that they did not usually notify employees of tentative nonconfirmation findings. The majority of these employers (84 percent) said they notified applicants on the same day that they received the finding.

Of the two case study employers that screened job applicants after determining that the workers had the requisite job skills, one employer immediately notified most applicants who received tentative nonconfirmation findings and instructed them to go to SSA or USCIS to correct the problem with their paperwork. Most work-authorized applicants who were interviewed from this employer resolved the issues with their records, returned to the employer, and were hired; however, these employees lost wages while resolving their cases.

The second case study employer that screened job applicants did not tell most applicants about problems with their paperwork. However, several applicants were hired regardless of tentative nonconfirmation findings and were never told of problems with their paperwork.

Many of the employers that screened job applicants were personnel or temporary help agencies. Of the long-term users that reported using the Web Basic Pilot to screen job applicants, 37 percent were personnel or temporary help agencies. A temporary help agency may consider the employee to be hired at the time the employee is deemed to be acceptable for job referral. A representative from one staffing agency commented that everyone who meets the agency's hiring criteria and completes a Form I-9 is considered an employee and is verified at that time, regardless of when or if the employee receives paid work. There were no personnel or temporary help agencies among the case study employers.[25]

Employers could not always verify new employees' information with the Web Basic Pilot within 3 days of the hire date. Although most employers (72 percent of long-term users) reported that they used the system within the specified timeframe, the case studies revealed some difficulties in adhering to this requirement. Of the three case study employers that correctly used the system to verify only newly hired employees, two employers frequently had trouble entering employees' information within 3 days of their hire dates. Both were large employers whose employees were hired at various departments or work sites. As a result, the hiring paperwork (including application packages, I-9 forms, and photocopied documents) frequently did not arrive at the human resources office in time for staff to enter each new employee's information into the Web Basic Pilot system within 3 days of their hire. Both employers strongly recommended

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[25] Personnel and temporary help agencies were excluded from the case study because procedures for these employers are more difficult to articulate. Future data collection efforts should include these employers.

extending this timeframe. Respondents to the long-term user survey also commented that it was difficult to meet this 3-day timeframe.

As shown in Exhibit III-18, information from the transaction database confirms that employers generally input employee information into the Web Basic Pilot system promptly: Fifty percent of cases were entered on the date the employee was hired, and another 34 percent were entered within 5 weekdays of hire. An additional 11 percent of the transactions were for employees who had been 6 to 20 weekdays before the transaction was submitted and 5 percent were for employees who had been hired more than 21 weekdays before the transaction was entered into the Web Basic Pilot.

Exhibit III-18: Weekdays Between Hire Date and Initial System Entry Date
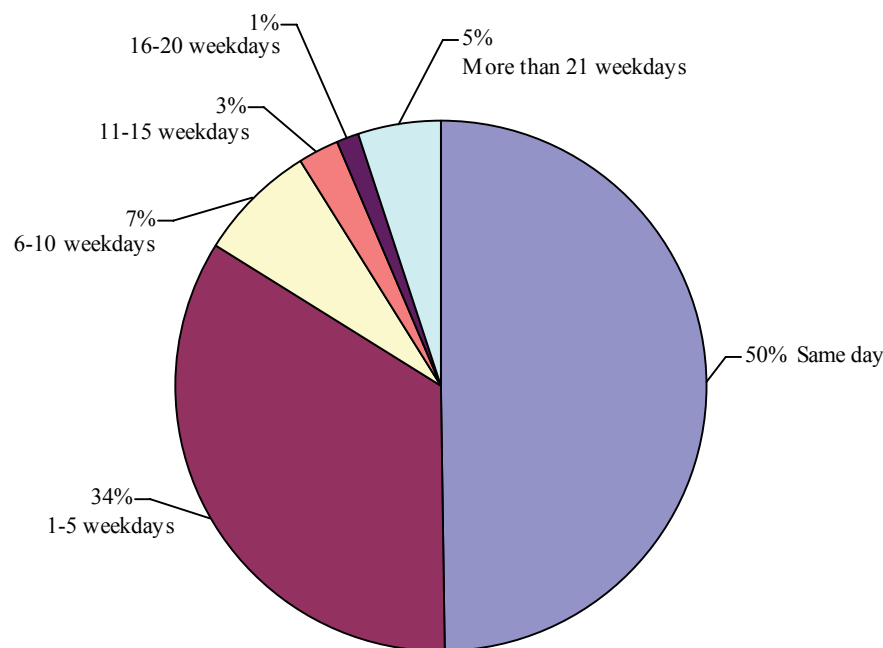
SOURCE: Web Basic Pilot Transaction Database: June 2004-March 2007

The record review part of the case study also showed that, among the five case study employers, an average of 6 calendar days elapsed between employees' hire dates and case initiated dates. All of these findings must be interpreted with caution, however, since the record review also indicated that not all hire dates entered into the Web Basic Pilot system were accurate.[26] At case study employers, only 73 percent of the 364 records reviewed confirmed that the hire dates captured in the transaction database matched the hire dates stated on the employees' I-9 forms.

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[26] These discrepancies in hire dates were undoubtedly due, in part, to the fact that the system does not allow the employer to input a future hire date for employees being prescreened – and, of course, the employer is unlikely to know the exact hire data for the prescreened cases.

Very few employers used the Web Basic Pilot to verify employees who had been hired before the employer enrolled in the Web Basic Pilot. Only 5 percent of long-term users reported that they used the system to verify the work authorization of employees who worked at the establishment prior to the institution of the Web Basic Pilot program. Furthermore, the transaction database information also indicates that a limited amount of verification of existing employees is occurring; 5 percent of cases were entered more than 30 days after hire. There was no evidence that any of the five case study employers used the Web Basic Pilot system to verify employees hired before the employer started using the system.

5.   DID EMPLOYERS TERMINATE THE EMPLOYMENT OF THOSE EMPLOYEES WHO RECEIVED FINAL NONCONFIRMATIONS OR UNAUTHORIZED FINDINGS?

Employers do not always follow the legal requirement to promptly terminate the employment of employees receiving final nonconfirmations. Three case study employers reported proper procedures for terminating employees who were not work-authorized or otherwise decided not to contest a tentative nonconfirmation finding. However, one of the three employers expressed confusion over situations where employees who have contested the tentative nonconfirmation findings with SSA still receive final nonconfirmations from the system. The employer reported that since these employees had received "letters indicating that the Social Security numbers were valid" from the local SSA office, the employer relied on the letter rather than the Web Basic Pilot finding. The employer felt that this discrepancy was a problem with the system that needed to be addressed by SSA and USCIS. A few employers also indicated on the employer surveys that they do not know what to do when employees have resolved issues with SSA but their cases receive final nonconfirmation responses when resubmitted through the system. It is possible that employers are sometimes trying to resubmit the cases too soon after the employees visited SSA (employers are required to wait 24 hours before resubmitting the cases).[27] Automatic responses from SSA would rectify this problem.[28]

At two of the case study employers, terminations were often delayed because the human resources staff relied on department staff to implement the termination. Employee interviews revealed that supervisors at one of the establishments frequently manipulated the contesting process to prolong the time that unauthorized employees could continue to work for the employer. Supervisors frequently did not terminate employees when told to do so and often told human resources staff that they could not afford to lose a worker at that time. The record review analysis at this employer revealed that an average of 68 days elapsed between the date a new case was initiated and the date the case was closed. The

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[27] SSA reports that although most cases are resolved and entered into NUMIDENT within 24 hours of the employee's visit to the SSA office, there are situations for which the time lag may be greater. This can occur when an office is very busy and there is a longer than usual delay between obtaining information and inputting it into the system; in other cases, SSA procedures require the verification of certain types of employee-provided information with another agency, which can take several days or even weeks.

[28] At the time this report was written, SSA was planning to implement such a system (EV-STAR) on October 1, 2007.

two case study employers that used the system primarily to screen job applicants rarely encountered a time when they were supposed to terminate a working employee due to the tentative nonconfirmation process. Both employers said they would terminate any employees who were not work-authorized.

One of the employers that had opted not to use the Web Basic Pilot after signing up for it expressed the belief that employees who received tentative nonconfirmation findings had to be referred to SSA and could not be fired even if their problems were not resolved. This opinion presumably reflects a lack of understanding of what is required by the Basic Pilot program.

Some employers did not consistently follow up on tentative nonconfirmation findings. The two case study employers that prescreened employees sometimes ignored the tentative nonconfirmation findings and hired applicants without telling them about problems with their verification. The staff at one case study employer sometimes "ignored" tentative nonconfirmation findings if they did not think the tentative nonconfirmation findings were accurate.[29] A second employer reported confusion over the results provided by USCIS and was sometimes not sure whether an employee was authorized or not. Employee interviews revealed that this employer sometimes hired these employees without telling them of the tentative nonconfirmation findings.

6.   DID EMPLOYERS PROVIDE JOB APPLICANTS AND EMPLOYEES WITH THE INFORMATION AND ASSISTANCE THEY NEEDED?

The Web Basic Pilot MOU requires employers to post Web Basic Pilot and right-to-work posters to alert job applicants to the program and their rights. The MOU also requires employers to provide employees with written notice of a tentative nonconfirmation and their right to contest it.

Employers did not consistently post the Web Basic Pilot notice in an area where it was likely to be noticed by job applicants.[30] Three case study employers displayed the Web Basic Pilot poster in their human resources offices; however, the application process occurred at the department level at two of these employers, so applicants would most likely not see the poster at the time of application. Two employers did not display the poster anywhere, but one of these employers did include a notice on its job postings informing applicants that the Web Basic Pilot system would be used to verify work authorization.

Some employers did not notify employees of tentative nonconfirmation findings at all or did not notify employees in writing. The tentative nonconfirmation notice provides employees with critical information about their right to contest the finding and the implications of not contesting. Employees deciding to contest are given a referral

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[29] Although there was no clear evidence that this particular employer did this in a discriminatory manner, there is certainly room for a discriminatory application of a policy of ignoring some tentative nonconfirmation findings.

[30] Employers are required to print the poster from the resources section of the on-line system and post it.

notice that explains the procedures for resolving tentative nonconfirmation findings with SSA or USCIS.[31] SSA and USCIS notices both explain that employers cannot take adverse actions while employees are contesting the tentative nonconfirmation.

Few employers (9 percent of long-term Web Basic Pilot users) reported that they at least sometimes do not provide written notification of tentative nonconfirmation findings (Exhibit III-19). This is lower than the 18 percent of employers that reported always providing written notification during the original Basic Pilot evaluation. Although not required, 94 percent of long-term Web Basic Pilot users said they always provide in-person notification of tentative nonconfirmation findings – somewhat more than the 81 percent reporting such notification during the original Basic Pilot evaluation. Three of the five case study employers provided written notification using the Tentative Nonconfirmation Notices provided by the system, and four of the five employers notified employees in person. The fifth employer did not regularly notify employees at all.

Exhibit III-19: Percentage of Employers Indicating That They Did Not Follow Web Basic Pilot Procedures

Procedure	Original Basic Pilot		Web Basic Pilot Survey of Long-Term Users	
	Number	Percent	Number	Percent
Number of employees hired so great, can't make deadline* (Percentage saying yes)	617	16.0	1,030	15.9
Software so cumbersome, can't make deadline (Percentage saying yes)	618	4.0	1,029	2.6
Contesting not encouraged, agree/strongly agree with either or both of the questions	483	13.7	961	6.6
Work assignment restricted* (Percentage agreeing or strongly agreeing)	453	28.4	888	21.6
Employee informed privately (Percentage saying never, sometimes, or often)	522	12.1	969	5.7
Written notification given* (Percentage saying never, sometimes, or often)	518	18.1	953	9.4

*Original Basic Pilot employers and Web Basic Pilot Employers differ significantly at 0.05 level.

SOURCE: Original Basic Pilot Employer Surveys, Web Basic Pilot Employer Survey of Long-Term Users

The case studies revealed that most but not all interviewed employees who had received a tentative nonconfirmation had been notified of a problem with their paperwork, either in writing or orally. In addition to the three employers that provided employees with written notice, another employer reported turning the computer monitor to show the applicant the screen indicating a tentative nonconfirmation finding. Although this latter procedure does not allow employees to study the tentative nonconfirmation notice or obtain assistance in understanding it from someone other than the employer, it is better than no notice at all.

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[31] Refer to the Supplemental Materials for copies of the referral forms.

The fifth case study employer rarely told applicants of a problem with their paperwork; when such notice was given, the employer did not provide the tentative nonconfirmation notice or any information about contesting.

Even though most employers notified employees of tentative nonconfirmation findings, they did not always explain the meaning of the tentative nonconfirmation or the employees' options. One case study employer printed the notices for employees to sign, but employees frequently indicated that they were just told to sign the paper "so they could work longer."

There was evidence that a small number of Web Basic Pilot employers discouraged employees with tentative nonconfirmations from contesting. On the employer survey, only 7 percent of long-term users indicated that they did not encourage employees to contest tentative nonconfirmations because the process required too much time and/or because work authorization rarely results. This is significantly lower than the 14 percent of original Basic Pilot employers that did not encourage employees to contest for one or both of these reasons.

There was no evidence from the case studies that employers actively discouraged the contesting process, although, as noted, not all employers provided all employees with sufficient information to successfully contest their tentative nonconfirmation findings.

7.   DID EMPLOYERS TAKE ADVERSE ACTIONS AGAINST EMPLOYEES RECEIVING TENTATIVE NONCONFIRMATIONS WHILE THEY WERE CONTESTING THE FINDING?

Some employers took adverse actions against employees while they were contesting tentative nonconfirmations. Results of the survey of long-term Web Basic Pilot users indicate that 22 percent of users restricted work assignments while employees were contesting a tentative nonconfirmation finding – significantly less than the 30 percent of original Basic Pilot employers that reported restricting work assignments. However, during the Web Basic Pilot evaluation, some employers also reported that they delayed training until after employment authorization was confirmed (16 percent), and a few employers reduced pay (2 percent). None of these practices are consistent with the Web Basic Pilot guidelines for employers.

The three case study employers that did not prescreen job applicants all allowed employees to continue working during the contesting process without any delay in training, reduction of pay, or limitation of work assignments. However, employees from one employer reported being taken advantage of by their supervisors. Most employees who reported mistreatment also said they were not authorized to work; however, one employee who was work-authorized said he received harsher treatment because the supervisor assumed he was an unauthorized worker. Employees reported that supervisors assumed that all employees who received tentative nonconfirmation findings were unauthorized workers and therefore required them to work longer hours and in poorer conditions.

One case study employer that screened job applicants did not hire, train, or provide uniforms to applicants who received tentative nonconfirmation findings, but the employer did have a process in place for applicants to contest the tentative nonconfirmation findings. Employees who successfully contested their findings and were eventually hired by the employer did not report being treated any differently from other employees after hiring.

The fifth employer was inconsistent in its practices but reported that it did not hire applicants with tentative nonconfirmation findings unless the finding was believed to be inaccurate.[32] None of the interviewed employees reported any mistreatment from the employer.

8. DID EMPLOYERS FOLLOW OTHER WEB BASIC PILOT VERIFICATION PROCEDURES?

For the most part, employers filed copies of documents associated with the Web Basic Pilot process in employee files; however, there were some exceptions. The record review process that was part of the case studies found that nearly 100 percent of reviewed employee files contained I-9 forms and that 92 percent of reviewed employee files contained at least one copy of the Web Basic Pilot Case Details sheet. The three employers that followed correct procedures for printing and providing employees with copies of the tentative nonconfirmation notices also complied with the requirement to file this notice in the employees' records. Employers that did not use the notice obviously did not file copies with employee records. Nearly 100 percent of the files for employees who contested tentative nonconfirmation findings with SSA contained the SSA referral letter. However, only 80 percent of files for employees who contested tentative nonconfirmation findings with USCIS contained a USCIS referral letter. This lower percentage is attributable to one employer whose human resources staff provided employees with the toll-free USCIS telephone number without printing the referral letter. In fact, the USCIS telephone number is the only piece of information on the referral letter that is not provided on the tentative nonconfirmation notice.

Although the system does not specify an overall time requirement for resolving cases, there is discrepancy among employers in the average amount of time it takes to resolve tentative nonconfirmation cases. Although the Web Basic Pilot system specifies time limitations for certain steps within the Web Basic Pilot process, it does not provide time guidelines for all steps or the overall process. For example, there are no time requirements for how quickly employers must notify employees of tentative nonconfirmation findings, issue referral letters, or terminate unauthorized employees. Among the three case study employers that followed all required steps in the tentative

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[32] The employer asserted that this was primarily in the case of employees applying for white collar jobs and not based on whether the person appeared to be foreign born.

nonconfirmation process, the average time between the hire date and the case closure date ranged from 19 to 74 days.[33]

Many employers did not comply with the Web Basic Pilot procedure of entering closure codes for all cases. Although the Web Basic Pilot procedures require that employers provide closure codes that explain why the tentative nonconfirmation results were unresolved, the Web Basic Pilot system does not force the user to enter such codes. For example, as mentioned earlier, employers failed to input closure codes in 37 percent of the cases where U.S. citizens received final nonconfirmations and in 28 percent of cases where USCIS final nonconfirmations were issued.

Only three case study employers made an effort to close all Web Basic Pilot cases with closure codes. A fourth employer was aware that it should be closing all cases but felt that the process was too time consuming. The fifth employer was unaware that it should be closing cases and did not know how to do so.

Although failure to input codes has little consequence for employees, it reduces available information about case outcomes and therefore impedes the evaluation and monitoring of the program. Although this issue has been raised in previous evaluation reports, it is much more critical now, because USCIS recently established a unit responsible for monitoring employer compliance that will make extensive use of the transaction data.

Employers often did not enter a referral date and therefore did not officially refer employees who received tentative nonconfirmation findings to SSA or USCIS through the on-line system. When employees inform employers that they will contest tentative nonconfirmation findings, employers are required to refer the case to SSA or USCIS through the Web Basic Pilot system. The referral date is automatically recorded in the system and becomes the starting date for the 10 Federal-working-day period for resolution of tentative nonconfirmations. Transaction database analyses indicate that employers referred only 15 percent of the 27,600 USCIS final nonconfirmation cases (4,166 cases). From the information on the transaction database, it is not clear what percentage of the tentative nonconfirmation cases without referral dates reflect employees who did not contest the finding, employers that did not properly inform employees about their tentative nonconfirmation findings, and employers that failed to refer cases through the system.[34] Only three of the five case study employers initiated referrals through the Web Basic Pilot system. One of the two employers that did not initiate referrals instructed employees to correct their verification problems with SSA or USCIS but did not follow the procedures set out for the referral.

Some employers may be manipulating data entry to increase the chances of a work-authorized outcome. One case study employer reported that when an applicant had

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[33] Although, as noted, the statute does not specify all timeframes, it is assumed that Congress intended that cases be resolved in the 10 working days allotted or a reasonable extension of that time.

[34] These proportions cannot be determined because closure codes were not input to indicate the exit status of a substantial number of employees.

multiple last names (as is common in some cultures), the employer would frequently enter the applicant's name several times, in different configurations, to try to get a work-authorized response. This particular approach may be helpful in preventing erroneous tentative nonconfirmations; however, it is possible that such manipulation of the system may result in erroneous work-authorized responses. Furthermore, in the case of this particular employer, most of these repeat cases remained in the system as tentative nonconfirmation cases rather than being closed as invalid queries. Cleaning routines would identify some but not necessarily all of these cases, with the result that monitoring and evaluation statistics become less accurate than is desirable.

Some employers did not fully cooperate with the evaluation, as required by the MOU. As discussed in Chapter II, some employers participating in the Web Basic Pilot did not complete Web surveys or participate in case studies as required by the MOU. Although the reasons for non-participation were sometimes understandable (e.g., the primary user was on leave during the data collection period), in other cases this failure may indicate a more general lack of cooperation with MOU requirements.

E.   WHAT RECOMMENDATIONS FOR IMPROVEMENTS TO THE WEB BASIC PILOT WERE MADE BY EMPLOYERS?

Based on their hands-on experience using the Web Basic Pilot in an employment setting, the Web survey and case study employers were in a position to recommend improvements to both the overall Web Basic Pilot process and the administrative features of the on-line system that would make the Web Basic Pilot more practical and user friendly for all employers. Their recommendations are summarized below.

- **Employers recommended that the 3-day timeframe for entering employees' information into the Web Basic Pilot system be lengthened.** Many employers challenged the practicality of the requirement that employee information be entered into the Web Basic Pilot within 3 working days of hire. This was especially true for large employers with multiple hiring departments.

- **Many employers recommended that prescreening be permitted.** Sixty-four percent of long-term users responding to the employer survey supported a change to allow the verification of job applicants, 22 percent opposed the change, and 14 percent had no opinion. Two case study employers and several survey respondents commented that the system should be used by all employers to prescreen applicants before they are hired or to verify hired employees before the first day of work.

- **Many employers would also like to use the system to verify employees who were hired before the employer started using the Web Basic Pilot program.** Fifty percent of long-term Web Basic Pilot users agreed that procedures should be changed to allow the verification of employees who were hired before the pilot was started, 25 percent opposed such a change, and 25 percent had no opinion.

- **Employers would appreciate more compatibility between the Web Basic Pilot system and their existing human resources systems.** Several employers in the long-term user survey recommended that the Web Basic Pilot allow for some employer personalization, such as allowing the employer to enter the company's own employee and department numbers into the system. Another employer suggested that the system allow employers to upload employee information into the Web Basic Pilot from an existing company database. Employers would also like to export reports to MS Excel or Word and to Adobe Acrobat. At least some of these capabilities exist, although employers may not be aware of them. USCIS is in the process of modifying the employer registration process to clarify these options.

- **Some employers made recommendations for streamlining the administrative processes for using the on-line system.** Several employers from both the case study and survey samples suggested that system navigation be simplified. Another employer recommended that the system alert the employer to which cases have received new resolutions from USCIS and require action (currently, the system alerts the employer only to the number of cases with new resolutions from USCIS).

- **Some employers expressed interest in having a flowchart of the verification process in the tutorial.** They believed this would help clarify the process for persons who are visually-oriented.

- **Employers did not favor limitations that would prevent them from entering new cases until older ones had been closed.** Sixty-seven percent of respondents to the long-term user survey were opposed to a modification that would prevent employers from entering new cases until they had input referral dates for all tentative nonconfirmation cases from 2 weeks earlier; 16 percent favored the change, and 17 percent had no opinion.

- **Employers reported difficulty with the process for having their passwords reset.** Many employers in the long-term user survey requested an easier system for retrieving forgotten passwords. Two case study employers found that calling the telephone number to have their passwords reset was time consuming, particularly when the office was closed and the employer had to wait until the next day to get a new password. Several employers recommended an after-hours telephone line or an e-mail system that could provide user names and passwords if the office is closed. USCIS implemented an automated system for emailing passwords to authorized users subsequent to the original Basic Pilot survey.

- **There was a request for help in understanding how to close cases.** Although this problem was not frequently mentioned, it is consistent with the overall finding of employer confusion about this part of the process.

- **An employer in a remote location suggested that some accommodation be made for employees who are far from SSA offices.** This particular employer

was located 50 miles from the nearest SSA office, which made it difficult for its employees to resolve tentative nonconfirmations.

- **There was a request that the help desk service be improved.** Several employers reported having problems that the help desk could not resolve.

- **An employer that had terminated use of the Web Basic Pilot wanted to be able to obtain more information from the system on the reason an employee received a tentative nonconfirmation.** This employer said that such information would make the process less confusing to the employer and the employee.

- **An employer that had terminated use of the Web Basic Pilot recommended that the information from SSA and USCIS be better coordinated, because too many authorized employees were receiving tentative nonconfirmations.** This recommendation may reflect the problems encountered by naturalized citizens.

- **An employer that had terminated use of the Web Basic Pilot thought that the 10-day timeframe for contesting was not acceptable**. The employer said that it resulted in large costs for the employer when employees were unauthorized and had to be replaced.

Of course, decisions about the advisability of implementing employer recommendations must be viewed in light of other goals of the system. For example, it is not clear how easily the recommendation for prescreening could be implemented while safeguarding employees' rights and guarding against discrimination.[35]

F. SUMMARY

Features of the Web Basic Pilot have corrected a number of problems identified during the evaluation of the original Basic Pilot program completed in 2002. For example, the transmission of cases over the Web rather than installation of specialized software on dedicated computers solves some of the employer problems noted in the original Basic Pilot evaluation and reduces employer set-up time and costs. Edit checks now prevent some obvious data entry errors. Unless this safeguard is intentionally circumvented, employer staff are prevented from using the system before they have completed the tutorial and passed the Mastery Test, presumably resulting in more knowledgeable staff using the program. Furthermore, system outcomes indicate that accuracy has improved for both the SSA and USCIS databases. These changes have led to increases in employer satisfaction with the Basic Pilot and also appear to have resulted in greater compliance with Web Basic Pilot procedures. However, there continue to be issues that USCIS and SSA need to address, including increasing employer compliance, further increasing the user friendliness of the Web Basic Pilot, and revising employee materials to make them more easily understood.

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[35] See Chapter VI for additional discussion of employer recommendations for changes in light of other program goals.

CHAPTER IV. DID THE WEB BASIC PILOT ACHIEVE ITS PRIMARY POLICY GOALS?

A.   INTRODUCTION

The policy goals of the Web Basic Pilot, as articulated in the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRIRA), which originally authorized the Basic Pilot program, are to create a system that is effective in minimizing the employment of unauthorized workers while being nondiscriminatory, protective of privacy, and non-burdensome for employers. This chapter addresses each of these policy goals by providing background information and highlighting relevant findings from the evaluation. Where possible, the results of this evaluation are compared with findings from the original Basic Pilot evaluation in 2002.

B.   DATA LIMITATIONS

Many of the employer findings in this chapter are based on data obtained from employers that responded to the Web survey of long-term users of the Web Basic Pilot. Since the population for this survey included all employers meeting specified criteria, it can be argued that sampling error is not an issue; however, to be conservative, tests of significance were performed to determine whether random factors affecting which employers sign up for the program account for employer differences.[1] Like all surveys, this survey is also subject to nonsampling errors, such as nonresponse bias and measurement error.

Information obtained directly from the transaction database is based on the 3.5 million employee cases on that database. This is a sufficiently large number of observations to provide precise estimates of verification outcomes. A number of analyses are based on subgroups of the transaction database cases, such as transactions that resulted in tentative nonconfirmations; fortunately, even these subgroup samples are fairly large. However, the possibility of measurement error exists, for example, because the U.S. Citizenship and Immigration Services (USCIS) and Social Security Administration (SSA) data contained some errors (due, for example, to employer input errors). Although the data used for this report were cleaned, it is not possible to rectify all errors.

Information from the five case study employers and their 64 employees who received tentative nonconfirmations cannot be considered representative of all employers or all employees with tentative nonconfirmations. These results provide more in-depth insights into the Web Basic Pilot than can be obtained using more structured methodologies but should not be generalized to a larger population using statistical methodologies. The designs of the small employer survey and the interviews with non-users also cannot be generalized to the larger populations of such employers.

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[1] See Chapter II for more information on the methodology used in this report.

Model-based estimates have been generated for the numbers of employees who would have been found to be work-authorized if all Web Basic Pilot cases had been resolved. This approach requires simplifying assumptions that may not prove to be completely correct. These estimates should, therefore, not be viewed as precise.[2]

C. EMPLOYMENT OF UNAUTHORIZED WORKERS

1. BACKGROUND

In discussing the employment of persons without work authorization, it is important to understand that not all employees without work authorization entered the country illegally. In addition to illegal entrants, there are many persons in this country who entered legally but have overstayed their admission period. There are also persons, such as tourists, who are in the United States legally who are not authorized to work.

a. WAYS NONCITIZENS WITHOUT WORK AUTHORIZATION CAN OBTAIN EMPLOYMENT

As discussed in Chapter I, all newly hired employees should provide their employers with valid legal documents to prove their identity and to demonstrate that they are authorized to work in the United States; however, there are many noncitizens who are currently employed without work authorization. One of the primary goals of the Web Basic Pilot is to reduce the amount of such unauthorized employment. To understand the impact of the Web Basic Pilot program on the employment of unauthorized workers, it is useful to understand the methods commonly used to obtain employment among noncitizens who are not work-authorized. Specific methods include using counterfeit documents, using borrowed or stolen documents, obtaining valid identification documents by using fraudulent breeder documents,[3] and looking for alternative employment where employers do not check documents. This section describes and discusses the expected impact of the Web Basic Pilot on these methods of obtaining unauthorized employment.

Using counterfeit documents. Individuals without work authorization sometimes obtain work by presenting counterfeit or altered documents. These documents are reported to be readily available for purchase in immigrant communities.[4] Current employment

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[2] See Chapter II and Appendix C for additional information on the model.

[3] Breeder documents are documents (such as birth certificates) that are used to obtain official identification documents such as driver's licenses. This method may be used when breeder documents are easier to counterfeit than the identification documents issued.

[4] For example, an online article by Lisa Myers and the NBC News Investigative Unit reports that "For about $500 [in Juarez, Mexico], we could rent what is known as a look-alike document — a real 'green card' — with a photo of someone resembling our undercover producer. Because the document is authentic, it will pass inspection unless a customs officer notices the photo doesn't match the person….U.S. officials say so far this year, some 15,000 bogus documents have been confiscated along the southern border. There are no numbers on how many people actually entered the U.S. using fraudulent documents. …There's also a problem on this side of the border. Near downtown Los Angeles, fake documents are sold openly." See *How easy is it to cross the U.S.-Mexico border? Fraudulent documents easy to obtain, NBC News investigation reveals* (June 20, 2007) (http://www.msnbc.msn.com/id/19337264/, downloaded August 30, 2007).

verification procedures require the employer to certify on the Form I-9 that the documents presented by the newly hired employee "…appear to be genuine."[5] In this situation, the likelihood of employers detecting counterfeit documents depends on the quality of the documents, the employers' familiarity with immigration and other documents, and their expertise in detecting fraudulent documents. The U.S. Department of Homeland Security (DHS) expects employers to exercise reasonable diligence in reviewing documents but does not expect them to be experts or to question reasonable-appearing documents.

The Web Basic Pilot program adds the extra step of checking whether the information on the documents presented by newly hired employees is consistent with information in the SSA database and, for noncitizens, USCIS records. These checks are designed to assist employers in detecting counterfeit documents containing information about nonexistent persons. However, if the counterfeit documents are of reasonable quality and contain information about actual work-authorized persons, the Web Basic Pilot system will incorrectly confirm the bearer as work-authorized.

Borrowing, buying, or stealing valid documents or obtaining valid documents with fraudulent breeder documents. Unauthorized workers may obtain employment using valid documents belonging to another person or by obtaining such documents using fraudulent breeder documents. For example, individuals may borrow documents belonging to relatives or friends, use stolen documents, or purchase valid documents that may have been sold by the owner. To decrease the probability of this happening, employers are required to certify on the Form I-9 that the documents "…relate to the employee named...." However, the Web Basic Pilot system cannot identify these documents as fraudulent since they are, in fact, genuine. Employers can only rely on the extent to which the document information, such as a photograph, fingerprint, and/or signature, resembles the employee and matches any other documents presented in the verification process, as well as information on the employment application. At the time that this report was being written, USCIS was conducting a pilot program using a photo screening tool designed to help identify noncitizens using borrowed or stolen documents that have been altered. Evaluation of this pilot program is outside the scope of this report.[6] However, this program will not prevent workers from obtaining identification documents by using fraudulent breeder documents. For example, workers may use birth certificates or other easily counterfeited documents to obtain a driver's license.

Finding alternative employment. Another way that unauthorized workers can obtain employment is to take jobs where employment verification is not rigorous, because the employer is either ignorant of or knowingly violating the law. Undocumented immigrants

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[5] Form I-9 is included in Appendix A.

[6] This pilot program, if implemented on a larger scale, would, at least initially, apply only to a limited number of employees – those presenting "secure" photo identification issued by USCIS. Although there are plans for including photographs from additional types of identification if the program proves to be successful, it is not yet known how successful this effort will be.

who are self-employed[7] are also able to avoid the employment verification system since they are not required to complete the Form I-9 for themselves. Other possible sources of alternative employment are the underground economy and criminal activities, neither of which is likely to require any type of document review. There is no reason to believe that the Web Basic Pilot or any employment verification system can prevent unauthorized employment when employers do not want to verify work authorization, unless there is strict monitoring and enforcement of the program requirements.

b. ***EXPECTED IMPACT OF THE WEB BASIC PILOT VERSUS THE FORM I-9 PAPER PROCESS IN REDUCING THE EMPLOYMENT OF NONCITIZENS WITHOUT WORK AUTHORIZATION***

The Web Basic Pilot is designed to be more effective than the paper Form I-9 process in detecting counterfeit fraud in which the employee's documents contain information about nonexistent persons. However, the Web Basic Pilot is not expected to improve employers' ability to detect fraud when borrowed or stolen documents are used to prove work authorization, when fraudulent breeder documents are used to obtain valid documents, or when employers do not check work-authorization documents. It also cannot detect counterfeit documents that contain information about work-authorized persons. Thus, the Web Basic Pilot program should decrease the ease with which noncitizens without work authorization can obtain employment but will not eliminate the employment of such workers.

Even though the Web Basic Pilot cannot prevent all unauthorized employment, it should, theoretically, be able to reduce unauthorized employment in the following ways:

1. Employees without work authorization may decide not to apply to Web Basic Pilot employers, possibly making it harder for these employees to obtain work. The impact of this outcome on unauthorized employment depends upon the length of the additional period of unemployment while the person seeks work, as well as the length of employment subsequent to finding work. If, for example, the average person without work authorization had a 10 percent decrease in the number of weeks worked per year as a result of the program, there would be a 10 percent decrease in unauthorized employment at any point in time. Furthermore, it is reasonable to assume that the increased difficulty of finding employment for those who are not authorized to work is a function of the percentage of all new employees verified using the Web Basic Pilot. This percentage will, of course, increase as the number of employers using the program increases.

2. Employees without work authorization may receive a tentative nonconfirmation and quit upon being informed of the finding or tell the employer they will not contest and then have their employment terminated, as required by the Web Basic Pilot. In this situation, the employee can work during the time that the employer is waiting to input employee information (which is supposed to happen within 3

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[7] According to the Bureau of Labor Statistics, approximately 7 percent of all workers were self-employed in 2005 (http://www.bls.gov/cps/labor2005/chart3-1.pdf, downloaded September 12, 2007).

work days of hire). The impact of the tentative nonconfirmation on unauthorized employment is a function of both the time the employee worked and the time it took the employee to find a new job. For example, if an employee who would otherwise be continually employed repeatedly works for 3 work days and then searches for a new job for 3 work days, the employee is working for only 50 percent of the available work days. If this were the pattern for all employees, the result would presumably be a 50 percent reduction in unauthorized employment at any point in time. If some employees decide that working 50 percent of the time is not preferable to returning home (and/or if potential employees decide not to come to the United States because of this situation), there would be an even greater decrease in unauthorized employment.

3. Employees without work authorization may receive a tentative nonconfirmation, contest it, be found to be non-work-authorized, and have their employment terminated, as required by the program. Alternatively, they may tell their employer they plan to contest the tentative nonconfirmation and work during the allotted contesting period, but never undertake the steps necessary to contest the tentative nonconfirmation. In either of these situations, the employee can work during the time allowed for contesting the case (a total of 13 Federal working days, including the 3 days the employer is allotted to input the employee information and the 10 days the employee has to resolve the tentative nonconfirmation). Assuming again that employees go 3 days between jobs and that the same pattern exists for all employees who are not authorized to work, employees would be unemployed 19 percent of the time and unauthorized employment would be reduced by 19 percent at any point in time. The number of employees finding it preferable to return home or to not immigrate to this country would be much smaller under this scenario than the preceding one.

The above scenarios do not take into account ways that employees without work authorization and the persons who help them find employment may adapt their behavior in response to the Web Basic Pilot, especially if an expanded program modeled after the current Web Basic Pilot were to be implemented. Most importantly, as unauthorized workers learn more about how the Web Basic Pilot works, it is likely that they will more frequently obtain counterfeit, borrowed, or stolen documents with information about persons who are work-authorized or obtain such documents using fraudulent breeder documents. Of particular relevance to this discussion is the case study finding that a few unauthorized workers at one employer reported having incurred large costs to buy new Social Security cards or numbers in order to reapply to the same employer once they had been terminated.

Since fraudulent or stolen documents for work-authorized persons presumably cost more than counterfeit documents with information about nonexistent persons, the primary deterrent value of the program, in the long run, may well be to increase the cost of obtaining unauthorized employment, which, in turn, would presumably reduce unauthorized employment; however, the amount of such reduction cannot be easily specified.

In this section, the available evaluation information is used to provide insight into how the program is operating to reduce unauthorized employment within the context of the preceding discussion.

2. FINDINGS

a. DISCOURAGING EMPLOYEES FROM APPLYING TO WEB BASIC PILOT EMPLOYERS

It is not clear to what extent the Web Basic Pilot currently discourages potential employees without work authorization from applying to pilot employers. One case study employer reported receiving fewer applications from people who were not work-authorized because the employer's practice of verifying employment authorization had become well-known among the local population. However, another employer indicated that its use of the Web Basic Pilot had not discouraged unauthorized workers from applying. Even though the local population was aware that the employer was verifying work authorization, it was well-known that the employer allowed employees to work for several weeks or even months during the contesting process. None of the case study employers indicated that the program discouraged any authorized workers from applying for employment.

b. PROGRAM USAGE

As discussed above, the effectiveness of the Web Basic Pilot program is dependent upon how quickly employees can find employment if they quit or are fired because of the program. Therefore, to effectively decrease unauthorized employment the program must verify a high percentage of new employees. The evaluation team estimates that, in the first half of fiscal year 2007,[8] no more than 4 percent of newly hired employees were verified using the Web Basic Pilot program, compared to less than 1 percent in the original Basic Pilot.

c. PROGRAM FINDINGS OF UNAUTHORIZED TO WORK OR FINAL NONCONFIRMATION

Some employees without work authorization are found to be unauthorized to work or obtain final nonconfirmations, leading to the termination of their employment. As discussed in Chapter III, the Basic Pilot returned conclusive findings that only 7,636 employees were determined not to be work-authorized between June 2004 and March 2007. However, about 285,000 other verifications resulted in tentative nonconfirmations that were not properly contested and became final nonconfirmations.[9] In some cases, employees receiving tentative nonconfirmations either were not notified by their employers or decided not to contest for reasons other than that they were not work-authorized. As indicated in the case study and in prior evaluation research, most of the

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[8] The ratio of the number of Web Basic Pilot verifications to the number of newly hired employees was 0.04 during this period; however, the fact that many employers are using the program to prescreen job applicants makes it likely that the percentage of newly hired employees verified is lower than this estimate.

[9] These include tentative nonconfirmation cases that were never referred to either SSA or USCIS, in addition to cases in which the employer made the referral but the employee did not complete the process of contesting the tentative nonconfirmation.

tentative nonconfirmation cases that become final nonconfirmations are in fact for employees who were not work-authorized. However, some work-authorized employees do not contest the tentative nonconfirmation findings because they are given insufficient or incorrect information by the employer or for other reasons.

It is also likely that the estimated number of final nonconfirmations is somewhat biased upward, because of cases that appear to be final nonconfirmations but are actually technical errors that occur, for example, when employers receive written confirmation of work authorization from SSA but do not resubmit the case to SSA, as required by the Basic Pilot program. Since USCIS procedures require that Immigration Status Verifiers (ISVs) input their findings for contested cases, this is not usually an issue with cases that are resolved by USCIS. However, the Web Basic Pilot does not currently allow a USCIS final nonconfirmation to be overridden if an employee or employer requests further consideration of a case after the 10-day period has expired. If the employee was found to be work-authorized after the 10 days, these cases would have already been changed to final nonconfirmations on the transaction database and could not be changed by the ISV.[10]

Approximately 5 percent of the employees screened through the Web Basic Pilot in the first half of fiscal year 2007 were employees without work authorization who were either found not to be work-authorized or who received a final nonconfirmation. This estimate is based on a model and assumptions about the percentage of work-authorized employees informed of the tentative nonconfirmations and the percentage of employees informed who decide to contest the finding. Alternate assumptions about these two parameters provide estimates between 4.0 and 5.3 percent.[11]

d. *POSSIBLE FUTURE USE OF THE WEB BASIC PILOT TO FURTHER REDUCE THE EMPLOYMENT OF NONCITIZENS WITHOUT WORK AUTHORIZATION*

The Web Basic Pilot transaction data could be used to identify cases in which some types of fraud are highly likely. For example, counterfeiters may make multiple copies of a Social Security card using the same Social Security number (SSN) or a "green card" with a particular Alien number (A-number). To the extent that it is possible to identify certain types of fraudulent cases, such as multiple uses of the same card numbers, with a high degree of certainty from transaction database information, it would be possible to incorporate this information into the Web Basic Pilot process for special handling. For example, these cases might be subject to an expedited secondary verification process so that these workers, most of whom are presumably not work-authorized, would have less time to work during the case resolution process. The advisability of expedited review procedures is heightened by the fact that some employers are actually encouraging workers without work authorization to say they will contest so they can work during the 10-day period allowed for resolving tentative nonconfirmations.

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[10] If USCIS is made aware of such cases, staff will notify the employer that an employee is work-authorized; however, the final outcome shows up as a final nonconfirmation in the system.

[11] See Chapter II for an explanation of how this estimate was made.

This section provides information on transaction database cases in which the same SSNs or A-numbers appear frequently, as a first step in identifying ways that the program might be modified to increase the probability of correctly detecting identity fraud.

Exhibit IV-1 summarizes the frequency of multiple SSNs in the Web Basic Pilot transaction database. Of the 3.5 million transactions entered from June 2004 through March 2007, approximately 744,000 transactions (21 percent) were for SSNs used multiple times. However, in most of these cases the SSNs appear on the transaction database only two or three times, which is not necessarily indicative of fraud. There were 20,999 verifications (0.6 percent of all verifications) involving SSNs that were used six or more times. Interestingly, 15,503 (74 percent) of verifications involving six or more uses of an SSN were for persons attesting to being U.S. citizens. Thus, it appears that a substantial amount of the fraud involving duplicate SSNs also involves fraudulent attestation of U.S. citizenship.

Exhibit IV-2 provides the Web Basic Pilot system outcomes for SSNs that were on the transaction database six or more times between June 2004 and March 2007. Of the 20,999 verifications made with SSNs used six or more times, 81.2 percent of employees were instantly found to be work-authorized by SSA and an additional 7.5 percent were instantly verified as work-authorized by USCIS, while only 9.7 percent received final nonconfirmations or were found to be unauthorized to work. Although at least some of the multiple-SSN cases found to be work-authorized were probably actually employees who were work-authorized, many of them may be cases involving identity fraud.

Similarly, 71,100 of the 560,600 transactions for noncitizens (14 percent) involved A-numbers that were used multiple times. Ninety-four percent of these transactions are on the transaction database two or three times. When the system outcomes were examined for A-numbers on the transaction database six or more times, 68 percent were found to be final nonconfirmations or employees who were unauthorized to work, while only 32 percent were for employees who were verified as work-authorized (Exhibit IV-3). It seems likely that in many of the cases involving multiple uses of A-numbers, employees were using counterfeit documents for nonexistent persons that were recognized as fraudulent by the system.

It is possible to develop algorithms that would identify likely fraud cases based on multiple uses of SSNs or A-numbers. Combining this multiple SSN or A-number information with additional information such as the demographic characteristics of the labor force near the employer and the industries in which multiple numbers are frequently used should further increase the usefulness of screening for likely fraud. The effectiveness of this methodology would also increase with the size of the program, since a greater number of cases processed would be expected to yield greater numbers of SSNs and A-numbers being used in patterns indicating fraudulent use.

Exhibit IV-1: Frequency of SSN Duplicates on the Transaction Database, by Citizenship Status on the Form I-9

Number of Times SSN Was Listed	Number of Transactions		
	All	Citizens	Noncitizens
2	528,372	429,846	98,526
3	132,885	102,309	30,576
4	43,772	32,060	11,712
5	18,010	12,995	5,015
6	9,126	6,672	2,454
7	4,991	3,773	1,218
8	2,520	1,888	632
9	1,647	1,224	423
10	1,020	750	270
11	649	462	187
12	360	252	108
13	286	195	91
14	84	56	28
15	105	90	15
16	80	48	32
17	34	17	17
18	36	36	0
19	19	19	0
21	42	21	21
All transactions	3,480,655	2,974,107	506,548
Duplicate transactions involving SSNs used $\geq$ 2 times	744,038	592,713	151,325
Duplicate transactions as percent of all transactions	21.4	19.9	29.9
Duplicate transactions involving SSNs used $\geq$ 6 times	20,999	15,503	5,496
Duplicate transactions involving SSNs used $\geq$ 6 times as percent of all transactions	0.6	0.5	1.1

SOURCE: Web Basic Pilot Transaction Database: June 2004-March 2007

Exhibit IV-2: Web Basic Pilot System Outcomes for SSNs on the Transaction Database Six or More Times

Outcome	Number	Percent
All outcomes, total	**20,999**	**100.0**
Initially work-authorized by SSA	17,056	81.2
Second-stage authorized by SSA	13	0.1
SSA final nonconfirmation	1,110	5.3
First-stage work-authorized by USCIS	1,565	7.5
Second-stage work-authorized by USCIS	311	1.5
Third-stage work-authorized by USCIS	20	0.1
USCIS final nonconfirmation	782	3.7
Work-unauthorized by USCIS	142	0.7

SOURCE: Web Basic Pilot Transaction Database: June 2004-March 2007

Exhibit IV-3: Web Basic Pilot System Outcomes for A-Numbers on the Transaction Database Six or More Times

Outcome	Number	Percent
All outcomes, total	**6,663**	**100.0**
Initially work-authorized by SSA	662	9.9
Second-stage authorization by SSA	2	0.0
SSA final nonconfirmation	3,652	54.8
First-stage authorization by USCIS	893	13.4
Second-stage authorization by USCIS	299	4.5
Third-stage authorization by USCIS	277	4.2
USCIS final nonconfirmation	656	9.8
Work-unauthorized by USCIS	222	3.3

SOURCE: Web Basic Pilot Transaction Database: June 2004-March 2007

D. PROTECTING AGAINST DISCRIMINATION AND ENSURING THE RIGHTS OF EMPLOYEES TO CONTEST TENTATIVE NONCONFIRMATIONS

1. BACKGROUND

One of the important provisions in the Memorandum of Understanding (MOU) is that employers should not discriminate "unlawfully against any individual in hiring, firing, or recruitment practices because of his or her national origin, or in the case of an individual protected by law…because of his or her citizenship status." However, this provision does not impose new restrictions on pilot employers; it simply reiterates laws applicable to all employers, which both pilot and non-pilot employers may violate to some degree. This section focuses on the issue of whether the Web Basic Pilot has had an impact on the level of discrimination against work-authorized foreign-born employees. Related issues such as determining the level of employment discrimination in the United States and any

discriminatory impact of the Form I-9 employment verification system are beyond the scope of this evaluation and are not discussed in this report.

Discrimination is defined in this document as adverse treatment of individuals based on group identity. In employment, discrimination refers to differential treatment based on characteristics, such as citizenship or ethnicity, that are unrelated to productivity or performance. Discriminating in any way on the basis of spoken accent, facial or racial characteristics, or surname is also illegal.[12] Discrimination can occur because employers intentionally treat members of a group protected by law differently than others. However, it can also occur unintentionally if employers' actions have a disparate impact on protected group members.

This report focuses on differences in the impacts of the Web Basic Pilot program on work-authorized foreign-born employees and U.S.-born employees. The implicit assumption is that foreign-born employees are more likely than U.S.-born employees to be subject to discrimination based on one or more of the following characteristics that might lead employers to question whether the employees have work authorization: citizenship, ethnic identity, spoken accent, or surname. This does not mean that all employees within the foreign-born category have traits that would lead employers to characterize them as belonging to one or more of the protected groups. It also does not mean that all U.S.-born employees are excluded from the protected groups. However, it is likely that there is a strong correlation between place of birth and being in one of the protected groups of interest. The evaluation team uses this approach because it is much easier to measure whether the employee was U.S.-born than to determine whether the employee has any of the other indicated characteristics.

Within the foreign-born category, the evaluation team has also examined differences between U.S. citizens and noncitizens. This distinction is made because previous evaluations have found that there are differences in the erroneous tentative nonconfirmation rates between these two groups that are likely to affect the disparate impact of discrimination.

Employment discrimination can occur at all stages of employment, including recruitment, hiring, placement, compensation, training, evaluation, disciplinary action, treatment on the job, and dismissal. Since the Web Basic Pilot procedures primarily affect recruitment, hiring, and the initial post-hiring period, this section of the report focuses on the effect of the Web Basic Pilot program during these initial stages of the process.

One goal of automated employment verification, as envisioned by the framers of IIRIRA, was to reduce discrimination introduced by the Form I-9 verification process; however, there has not been consensus among stakeholders about the potential impact of the IIRIRA pilot programs on discrimination. The General Accounting Office (GAO) and others had reported that the employment verification procedures specified by the Immigration Reform and Control Act of 1986 led to an increase in discrimination, in

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[12] Brett, M.R. (1998). "Citizenship Discrimination." *Office Systems* 15(5): 50-51.

large part because employers were unsure of their ability to correctly identify individuals without work authorization.[13] In this situation, some employers found it easier not to recruit and hire noncitizens and/or individuals who appeared to be foreign born. Giving employers a better employment verification tool should make them more comfortable with their ability to verify employees and, therefore, make them more likely to recruit and hire individuals who appear to be foreign born.

On the other hand, advocates for immigrant rights have pointed out that the degree of harm engendered by the IIRIRA pilot programs could be considerable, even if employers completely follow the procedures designed to protect employee rights. They contend that work-authorized individuals born outside of the United States are more likely than U.S.-born workers to need to straighten out their SSA and/or USCIS records, which could result in missed time at work or other inconveniences. Further, some work-authorized foreign-born employees may quit their jobs rather than contact USCIS because they are afraid that contacting USCIS may create immigration problems for them or a family member, or because they believe it is easier to find another job elsewhere than to contest their cases. Even greater harm to authorized workers is likely when employers fail to follow the pilot procedures designed to protect their rights.

Compared to the Basic Pilot program, the Web Basic Pilot could potentially reduce the discrimination associated with tentative nonconfirmations issued to work-authorized employees. Improvements in the tutorial and the availability of information over the Web help to ensure that employers understand their responsibilities. Furthermore, the edit checks included in the system should reduce data entry errors and thus decrease the rate of erroneous tentative nonconfirmations. Additionally, USCIS has taken several steps to improve the timeliness and accuracy of information in its databases.

Section 2 below first examines the question of whether the Web Basic Pilot increases employer willingness to recruit and hire foreign-born workers. Section 3 examines whether the Web Basic Pilot verification process leads to discrimination against work-authorized employees after they are hired.

Information in this section is based, in part, on employer behavior self-reported on the employer Web surveys. It also incorporates information from the case studies and from analyses of the transaction database. Comparison with the original Basic Pilot analyses provides information on whether the changes implemented in the Web Basic Pilot program and other related Federal actions have reduced the erroneous tentative nonconfirmation rate, which is a major underlying cause of discrimination associated with the original Basic Pilot program.

Although the following discussion focuses on the implications of the Web Basic Pilot for discrimination, it will also touch upon an issue that is closely related to discrimination – the rights of all work-authorized employees under the Web Basic Pilot. As discussed

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[13] General Accounting Office. (1990a). *Immigration Reform, Employer Sanctions and the Question of Discrimination* (GGD-90-62). Washington, DC.

below, employer failure to provide employees with an opportunity to contest tentative nonconfirmations is a major component of discrimination; it is also a concern in its own right, since both unprotected groups (including U.S.-born employees) and protected groups can be harmed by employer failure to follow procedures designed to protect their rights.

2.   DID THE WEB BASIC PILOT MAKE EMPLOYERS MORE WILLING TO HIRE FOREIGN-BORN WORKERS?

A solid understanding of the impact of the Web Basic Pilot on employer willingness to hire foreign-born individuals would require a carefully controlled experiment using testers or resumes during the hiring process. Such an approach has not been considered feasible in the IIRIRA pilot program evaluations, for political and practical reasons. It is, therefore, necessary to rely upon employer self-reported behavior for information about this key question.

The evaluation team reworded questions used in previous evaluations about employer willingness to hire foreign-born individuals, with the hope of obtaining more complete information about this aspect of the evaluation.[14] The first question asked in the employer Web survey was "Do you think that this establishment is more or less willing to hire immigrants now than it was prior to when it started using automated employment verification?" Unless the respondent checked "don't know," the next question was "Why do you think that this establishment is [more willing/less willing/neither more or less willing] to hire immigrants now than it was prior to using automated employment verification?"

Most users reported that the Web Basic Pilot made them neither more nor less willing to hire immigrants. However, when change was reported, it was almost always in the direction of making employers more willing to hire immigrants. Approximately 62 percent of long-term users reported that the Web Basic Pilot neither increased nor decreased their willingness to hire immigrants. Many employers that reported this opinion said that all qualified applicants are given an equal chance for employment. Others indicated that the use of the Web Basic Pilot is a change in process, not a change in hiring practices. Another 19 percent of long-term users said that the Web Basic Pilot makes the establishment more willing to hire immigrants. The main reasons cited for this opinion are that the Web Basic Pilot is a valuable tool for employment verification; it provides security and confidence in hiring authorized workers; it offers immediate verification, which results in a more efficient process; and it decreases employer liability.

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[14] The original Basic Pilot survey asked "Do you think that the pilot programs make participating employers more or less willing to hire immigrants?" The follow-up question asking employers to clarify their response was not asked of employers that said the program had no effect. Rewording the question has the disadvantage of precluding the comparison of responses from the Web Basic Pilot and the original Basic Pilot; however, the evaluation team believed that the increased precision associated with asking the employers about their own behavior rather than employers generally outweighed the loss of comparability, especially since there is no a priori reason to expect that Web Basic Pilot employers would be more or less willing than original Basic Pilot employers to hire immigrants.

Only 4 percent of long-term users reported decreased willingness to hire immigrants. Furthermore, some employers that were "less willing" to hire immigrants appeared to misunderstand the question and were reporting that they were not willing to hire people who are not work-authorized. Some of the remaining employers indicating that they were less willing to hire immigrants feared that immigrants would not "pass" the Web Basic Pilot system. Other employers felt that following up on cases that were not immediately authorized created an increased burden on staff.

Since very few employers indicated a decreased willingness to hire immigrant employees and a substantial percentage said that they were more willing to hire such workers, it is reasonable to conclude that the net effect of the change is an increase in employers' willingness to hire immigrant workers. This conclusion is consistent with the GAO premise that a better employment verification system is likely to make employers more comfortable in hiring immigrants.

3. WHAT IMPACT DID ERRONEOUS TENTATIVE NONCONFIRMATION FINDINGS HAVE ON DISCRIMINATION?

The impact of receiving an erroneous tentative nonconfirmation on discrimination can be viewed as the product of two factors – the degree to which specified groups differ in their tentative nonconfirmation rates and the size of the negative impact of receiving erroneous tentative nonconfirmations on those receiving them. If either of these factors is nonexistent, then discrimination can be said not to occur. In other words, if foreign-born individuals were no more likely than U.S.-born individuals to receive tentative nonconfirmations, the tentative nonconfirmation process would not result in inadvertent discrimination against foreign-born persons. Similarly, if there were no negative impacts of receiving erroneous tentative nonconfirmations, there would be no inadvertent discrimination. This section examines these two factors separately.

a. ARE WORK-AUTHORIZED FOREIGN-BORN WORKERS DISPROPORTIONATELY LIKELY TO RECEIVE TENTATIVE NONCONFIRMATIONS?

Ideally, the evaluation would compare the tentative nonconfirmation rates for work-authorized foreign-born and U.S.-born workers to identify any differences in the erroneous tentative nonconfirmation rates for these two employee groups. To estimate these rates, it is necessary to know the place of birth of persons receiving final nonconfirmations, some of whom are work-authorized. However, information about place of birth is not available for most of the persons receiving final nonconfirmations.[15] Without this information, separate erroneous tentative nonconfirmation rates cannot be estimated for U.S.-born and foreign-born employees.[16] This report, therefore, uses the tentative nonconfirmation rate among employees determined to be work-authorized at

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[15] The SSA information is available only when employer-input information about the employee matches information on the SSA database; however, many final nonconfirmation cases could not be matched.

[16] These cases would have inaccurate SSA information because these employees have not informed SSA about changes in their citizenship status; however, the citizenship status of native-born U.S. citizens is assumed to remain the same over time, so this is not an issue for this population.

some point in the verification process as an indicator of the erroneous tentative nonconfirmation rates for the two groups.[17]

As anticipated by immigrant rights advocates, work-authorized foreign-born employees are more likely than U.S.-born employees to receive tentative nonconfirmations, thereby subjecting a greater percentage of work-authorized foreign-born employees to potential adverse actions arising from the Web Basic Pilot process. As seen in Exhibit IV-4, almost all of the U.S.-born employees (99.9 percent) found to be authorized by the Web Basic Pilot between June 2004 and March 2007 were verified without a tentative nonconfirmation. For all foreign-born employees, the comparable rate was 97.0 percent. The corresponding erroneous tentative nonconfirmation rate for employees who were eventually found to be work-authorized is approximately 30 times higher for foreign-born employees than for U.S.-born employees (0.1 percent versus 3.0 percent).

At least some of the difference between U.S.-born and foreign-born ever-authorized employees receiving tentative nonconfirmations is that noncitizens have their information verified against both the SSA and USCIS databases. Therefore, noncitizens have two opportunities to receive tentative nonconfirmations – one based on SSA's checking whether the Form I-9 SSN is consistent with its information on date of birth and name and the other based on the USCIS check comparing the Form I-9 information for A-number against its information on date of birth and name, as well as its information on work authorization. Furthermore, some employers may make more mistakes when entering foreign-sounding names than in entering names with which they may be more familiar, causing more non-matches during the verification process for foreign-born employees.

Foreign-born U.S. citizens are considerably more likely to receive erroneous tentative nonconfirmations than are work-authorized foreign-born persons who have not become U.S. citizens.[18] There are dramatic differences between the erroneous tentative nonconfirmation rates for foreign-born citizens and work-authorized noncitizens (9.8 percent of those foreign-born citizens who were eventually found to be work-authorized received a tentative nonconfirmation prior to being found work-authorized, compared to only 1.4 percent of work-authorized noncitizens) in the first half of fiscal year 2007.

Determining whether workers claiming to be U.S. citizens on the Form I-9 are, in fact, citizens is the responsibility of SSA. The Web Basic Pilot program returns a work-authorized finding for foreign-born persons claiming to be U.S. citizens if SSA records show that the person is a U.S. citizen or a noncitizen with permanent work-authorization

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[17] See Chapter II for additional discussion of this indicator.

[18] The definition of foreign-born is "an individual who was born outside of the United States. An American citizen can be foreign-born, either because they were born abroad to at least one parent of U.S. citizenship or because they were naturalized or derived U.S. citizenship through their parents" (http://www.uscis.gov/files/article/8%20 Glossary.pdf).

Exhibit IV-4: Percentage of Employees Found to Be Work-Authorized, by Web Basic Pilot Stage, Citizenship, and Birth Status

Verification Stage	U.S.-Born	Foreign-Born				All Employees
		Total	Citizens	Noncitizens	Unknown	
Total number of transactions for ever-authorized employees	100.0	100.0	100.0	100.0	100.0	100.0
Total authorized without a tentative nonconfirmation	99.9	97.0	90.2	98.6	99.6	99.4
Total authorized automatically	99.9	90.6	89.6	90.6	97.7	98.3
Initial authorization by SSA	99.8	41.3	88.3	28.8	74.1	89.5
First-stage authorization by USCIS	0.1	49.4	1.3	61.9	23.6	8.8
Second-stage authorization by USCIS	0.0	6.4	0.5	8.0	1.9	1.1
Total authorized after a tentative nonconfirmation	0.1	3.0	9.8	1.4	0.4	0.6
Authorized by SSA after a tentative nonconfirmation	0.1	2.0	9.8	0.2	0.1	0.4
Authorized by USCIS after a tentative nonconfirmation	0.0	1.0	0.0	1.2	0.3	0.2

SOURCE: Web Basic Pilot Transaction Database: October 2004-March 2007, and information provided by SSA

status.[19] If the submitted SSN, name, and date of birth are consistent with SSA records, but SSA does not have information on citizenship and immigration status that permits finding the employee to be work-authorized, the Web Basic Pilot issues a finding of "Unable to confirm U.S. Citizenship." Out-of-date citizenship and immigration status information in SSA records accounts for a relatively high percentage of erroneous tentative nonconfirmations among naturalized or derived citizens.

If USCIS had accurate electronic information for naturalized citizens and could retrieve that information based on the person's SSN, the solution to the current problem would be an easy one: The Web Basic Pilot could forward cases that might relate to naturalized citizens to USCIS for verification when SSA information on citizenship and immigration status does not permit the verification of the employee as work-authorized. However, USCIS does not consistently have accurate information about current citizenship status on its database; when accurate information is available, it cannot always be accessed by SSN since USCIS uses the A-number as its primary identifier.

The inaccurate information at SSA reflects the fact that few people bother to update their citizenship/immigration status unless they are updating other information with SSA, such as a name change. The inaccurate information at USCIS arises from the fact that the former Immigration and Naturalization Service did not believe that it was authorized to maintain electronic records on naturalized citizens until that issue was clarified through legislation in 1996. Therefore, USCIS does not have electronic information on most persons naturalized before that time. Furthermore, USCIS records often do not reflect the U.S. citizenship status of persons who derived U.S. citizen status as children when one or both parents were naturalized. Even when USCIS has information on the citizenship status of naturalized citizens, it does not necessarily have their SSNs because the SSN has not always been a required field on the application for naturalization and is still not a required field for data entry. When SSN is lacking for naturalized citizens, their USCIS records can be accessed only by A-number; however, former A-numbers are not requested from naturalized U.S. citizens on the Form I-9, which is the basis for the information used in electronic verification. This practice reflects a policy decision made, when the Basic Pilot was first designed, to treat all citizens equally and not to reveal to employers which U.S. citizens are naturalized and which are native born. Furthermore, there is no requirement or expectation that naturalized citizens should know their former A-number.

Reducing the erroneous tentative nonconfirmation rate for foreign-born U.S. citizens will not be easy or fast. However, the evaluation team believes that there are several steps that can be taken to address this problem (as discussed in Chapter VI) that should be started

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[19] The erroneous tentative nonconfirmation rate would be even higher if a decision were made that persons claiming to be U.S. citizens with SSA records showing that they had permanent work-authorization status were not automatically verified by SSA as work-authorized.

expeditiously. USCIS and SSA are currently in the process of implementing some of these measures.[20]

The difference between the tentative nonconfirmation rates for noncitizens and U.S.-born workers would have been much greater in the absence of second-stage verification by USCIS ISVs, who manually compare Web Basic Pilot cases against other USCIS records not in the Verification Information System. Of the cases going to USCIS, 8 percent were found to be work-authorized at the second stage.

b.   WHAT IS THE IMPACT OF TENTATIVE NONCONFIRMATIONS ON EMPLOYEES?

As stated above, the extent of discrimination against foreign-born workers after hiring is a function of the employee impacts of receiving a tentative nonconfirmation. The smaller this impact is, the less the resulting discrimination. Furthermore, though not an explicit goal of the Basic Pilot program, protecting the rights of all work-authorized employees verified by the system is certainly important, even in the absence of discrimination.

There are two primary ways that receiving a tentative nonconfirmation may have a negative effect on an employee: (1) burdens associated with any adverse actions the employer may take against employees and (2) burdens associated with having to contact SSA and/or USCIS. These two factors are discussed separately in the following sections.

i.   Employer Behavior

Employers are prohibited from taking any adverse actions against employees receiving tentative nonconfirmations during the time provided for resolving tentative nonconfirmations. Both the employer surveys and the case studies examined the extent to which employers followed this Web Basic Pilot requirement.

The primary modifications of the original Basic Pilot that were likely to increase employer compliance with the requirements of the pilot programs were enhancements to the training materials available to employers and the requirement that employers pass a Mastery Test on pilot procedures prior to using the system. As discussed in Chapter III, 84 percent of long-term users indicated that all staff currently using the system for verification had completed the tutorial. Only 1 percent indicated that no current system users had completed the tutorial.

Employers do not always adhere to Web Basic Pilot procedures specified in the MOU, thereby increasing the possibility that work-authorized employees receiving tentative nonconfirmations will suffer adverse consequences. As described in Chapter III, the evaluation points to a number of ways in which employers fail to follow MOU provisions designed to protect work-authorized employees. These infractions include using the Web Basic Pilot to verify job applicants or persons hired prior to the start of the Web Basic Pilot, failing to notify employees of tentative nonconfirmation findings, and

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[20] In addition to its importance for verification of employment status, this information needs to be accurate for other purposes that are beyond the scope of this evaluation, such as for receipt of public benefits and licensing.

taking adverse actions such as reduction in pay or training during the time employees have to contest tentative nonconfirmation findings.

It is also highly likely that some employees were not aware of costs – financial or otherwise – incurred because of tentative nonconfirmation findings. This is particularly true when employers use the Web Basic Pilot to prescreen applicants for jobs, since employees are likely to be unaware of costs associated with tentative nonconfirmations if they are not offered jobs because of these findings. For example, one case study employer that prescreened job applicants did not hire some applicants and did not inform them of a tentative nonconfirmation finding, thereby preventing these persons from contesting the findings or correcting their paperwork. Employees may also be unaware of certain types of adverse actions their employer may have taken such as delaying their start of work, withholding training, or assigning them to work fewer hours while they are contesting tentative nonconfirmations.

ii.   Employee Burdens of Resolving Tentative Nonconfirmations

Employees are the most knowledgeable respondents for determining the burdens of contacting SSA or USCIS to resolve erroneous tentative nonconfirmations. Even though the employees interviewed for this study are not representative of all employees, their experiences are illustrative of the types of impacts that the resolution of tentative nonconfirmation findings has on employees and they therefore provide some insight into the financial and non-financial costs of resolving tentative nonconfirmations.

Most case study employees who had received tentative nonconfirmations reported no costs associated with resolving the finding; however, some employees did incur tangible costs, and others may have incurred costs of which they were unaware. Among the interviewed employees who had been notified of a tentative nonconfirmation finding, very few reported having any specific costs. Several employees interviewed at one employer were not allowed to start working until they had resolved the problem, but these employees did not provide an estimate of the cost of lost work.

Most of the 28 employees who went to an SSA office reported that they did not have to spend much time waiting or speaking with a representative. Three employees reported having to wait for approximately 2 hours, and two said the process took them all day. Another employee took the whole day off and lost that day's wages because he was not sure how long the process would take.

An estimated 3,000 (5 percent) of the 61,000 final nonconfirmation cases entered into the Web Basic Pilot system between October 2006 and March 2007 were employees who did not contest a tentative nonconfirmation but would have been found to be work-authorized if they had.[21] Although some of these employees chose not to contest for reasons having

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[21] This estimate is made assuming that the percentage of work-authorized employees who contest tentative nonconfirmations is halfway between the minimum and maximum rates. The range of estimates for SSA findings was 22 percent to 100 percent, and the point estimate used was 61 percent. The corresponding range for USCIS was 69.5 percent to 100 percent, with a point estimate of 84.7 percent. Additional information on this methodology is provided in Appendix C.

nothing to do with the Basic Pilot program (e.g., they quit the job because they did not like the work) and some of these employees continued to work because their employers did not take action on the final nonconfirmation, it is likely that many of these employees were either not hired or were fired without being given an opportunity to contest.

E. SAFEGUARDING PRIVACY

1. BACKGROUND

One of the IIRIRA requirements for the Web Basic Pilot is that it should provide a verification system that protects the privacy and confidentiality of employees. The Web Basic Pilot system was, accordingly, designed to protect the confidentiality and privacy of employee information against unauthorized use at both the Federal and employer levels. These protections are in addition to the multiple barriers SSA and USCIS employ to prevent unauthorized external access to their systems. This section summarizes the evaluation findings related to data privacy and confidentiality.

The most recent IIRIRA pilot evaluations did not find significant evidence of problems in safeguarding employee privacy. However, using a Web interface constitutes a significant change in the way the Basic Pilot works that could, at least in theory, have an impact on employee privacy.

In addition to potential privacy problems due to system weaknesses, privacy problems may arise during the tentative nonconfirmation process if employers do not tell employees about tentative nonconfirmations in private. Employers should respect employee privacy by telling employees about tentative nonconfirmations and explaining the procedures for resolving them in private. This obvious safeguard was not reflected in either previous or current employer training materials, and it was, therefore, posited that little change would be observed in this behavior.

2. FINDINGS

a. FEDERAL SAFEGUARDS AGAINST PRIVACY VIOLATIONS

The safeguards described below are built into the Web Basic Pilot system to protect against possible security breaches.

- **Federal privacy responsibilities.** Federal government safeguards protect access to SSA and USCIS databases by limiting their use to authorized SSA and USCIS personnel and contractors. In addition, the Federal government processes queries only for authorized employers that have signed an MOU. These employers are identified through establishment access and user identification codes.

- **Passwords.** Each person using the system is expected to have an individual user identification number and password. The passwords must be changed every 45 days. The employer is required to notify USCIS and remove old user

identification numbers and passwords from the system when program users leave employment or no longer perform verifications as part of their job responsibilities.

There is little increased risk of misuse of Web Basic Pilot information by Federal employees. Use of the Web Basic Pilot increases the risk of improper disclosure or use at the Federal level only to the extent that it increases the number of Federal employees and contractors who have access to systems information. The security procedures that SSA and USCIS use to protect all of their databases continue to be in effect when their personnel and contractors use Web Basic Pilot data. These security procedures limit access and safeguard employee and employer information provided by Web Basic Pilot users.[22]

One possible weakness of the system is that someone wishing to access it may pose as an employer or authorized user and obtain access by signing an MOU. Although there are no safeguards in place to prevent this misuse, USCIS and SSA are exploring ways to implement such safeguards as the system expands.

b. *EMPLOYER BEHAVIOR DESIGNED TO PROTECT EMPLOYEE PRIVACY*

Employers did not consistently convey information about Web Basic Pilot tentative nonconfirmations in a private setting. Employers may also violate employees' privacy by not being discreet in discussing verification problems with their employees. Almost all employers (94 percent of long-term users) reported that they always inform employees of tentative nonconfirmation findings in private, a result that is similar to the 88 percent of original Basic Pilot employers reporting this behavior. However, even though employers reported that employees were always notified in private, there were exceptions at each of the four case study employers where employees were regularly notified of tentative nonconfirmations. One employer sometimes notified a group of employees who had all received tentative nonconfirmation findings and were all participating in the same training session. The staff of another employer said they requested that the employees' supervisors also be present at "private" notification meetings (although only a few employees indicated that their supervisors were in fact present at the meeting). One employer sometimes told employees of a problem with their verification in a public location where other employees could hear. A few employees reported that the employer posted a list of employees who were "not authorized to work." Another employer sometimes told employees in a public place where other people were around but where only the employee could hear.

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[22] As is clear from recent cases in which Federal databases have been stolen, Federal safeguards are not always adequate to ensure privacy; however, given that the data in the databases used by the Web Basic Pilot are already available in other SSA and DHS databases, it is unlikely that the program substantially increases the likelihood of misuse of the system by Federal employees and contractors.

F.   AVOIDING UNDUE EMPLOYER BURDEN

1.   BACKGROUND

One of the stated goals of the IIRIRA pilot programs is to avoid unnecessary burden on employers. The Web Basic Pilot incorporates changes designed to make the system significantly easier and less costly for employers to use than the original Basic Pilot. The cost figures in this section must be viewed as estimates. The cost information provided by employers in the Web survey was sometimes based on actual records and sometimes on their best estimates.[23] Furthermore, approximately 40 percent of responding employers did not provide estimates of their costs.

2.   FINDINGS

The majority of employers reported that they spent $100 or less in initial set-up costs for the Web Basic Pilot and a similar amount annually to operate the system; however, some employers spent much more. Eighty-four percent of employers that used the Web Basic Pilot for more than a year reported spending $100 or less for start-up costs, and 75 percent said they spent $100 or less annually to operate the system. However, 4 percent of long-term users said they spent $500 or more for start-up costs, and 11 percent spent $500 or more annually for operating costs. Because of the high costs reported by a small minority of employers, the average (mean) costs were more than $100 ($125 for set-up and $728 for maintenance).

The average reported set-up and maintenance costs for the Web Basic Pilot are considerably below the comparable figures for the original Basic Pilot program. While the original Basic Pilot employers reported that they spent an average of $777 ($916 in 2006 dollars) for set-up and $1,800 ($2,121 in 2006 dollars) annually for operating costs, the long-term Web Basic Pilot users estimated that they spent an average of approximately $125 to set up the Web Basic Pilot and $727 annually to operate the program.

In addition to examining employer costs, it is helpful to look at the factors that affect costs. This permits examination of the question of whether the differences between the Web Basic Pilot employers and original Basic Pilot employers are likely to be explained by differences in the types of employers participating in the programs and their employees. It also is useful for anticipating the potential impacts of the program on employers currently underrepresented in the Web Basic Pilot program.[24]

The average costs to set up and maintain the Web Basic Pilot vary considerably depending on employer characteristics. The average set-up costs for employers in different industries ranged from $61 (accommodation/food services industries) to $405 (mining, utilities, or construction) (Exhibit IV-5). Average maintenance costs ranged

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[23] See Chapter II for a discussion of this issue.

[24] See Chapter V for a further discussion of this issue.

Exhibit IV-5: Set-up and Maintenance Costs Reported by Web Basic Pilot Users, by Employer Characteristics

Employer Characteristic	Set-up Costs			Maintenance Costs		
	N	Mean	SE	N	Mean	SE
All employers	**790**	**125**	**16**	**797**	**728**	**185**
Industry*,						
Agriculture, forestry, fishing, hunting	31	181	74	28	238	134
Mining, utilities, construction	37	405	224	37	395	188
Animal food manufacturing	142	126	31	142	270	76
Other food/beverage/tobacco manufacturing	52	192	98	51	382	144
Other manufacturing	107	113	28	110	261	77
Wholesale/retail trade	32	128	65	33	946	754
Professional/scientific/technical/education/arts/ entertainment	40	78	35	40	374	159
Employment services	84	82	22	86	1,515	1,063
Public administration/social services	88	141	57	94	1,795	957
Accommodation/food services	143	61	12	143	857	452
Other industries	34	92	29	33	144	57
Employer size						
< 100	167	100	28	169	459	320
101-250	189	138	44	186	608	233
251-500	152	90	23	158	727	570
501-1,000	129	151	49	130	322	120
> 1,000	153	151	32	154	1,512	598
Region						
California	125	106	30	128	319	110
Arizona/Texas	114	187	75	114	1,454	899
Northeast	88	73	20	86	1,224	846
Northern/Western	156	123	35	159	451	132
Midwest	146	116	26	148	315	83
Southern	110	163	51	112	914	530
Florida	51	82	26	50	953	799
Participation in original Basic Pilot						
Yes	426	141	25	427	625	245
No	364	108	21	370	847	280
Training method						
Web Basic Pilot online tutorial	703	113	13	707	758	205
Self-instruction with the pilot procedures manual	281	139	32	287	887	377
Formal in-house training session	60	297	113	60	1,349	913
Informal on-the-job training	234	125	24	241	1,309	523
Other methods	18	69	39	18	447	278
Number of employer locations						
One	629	130	19	634	490	137
Multiple	161	107	29	163	1653	725
Whether verification was conducted in-house						
In-house only	532	131	22	530	452	140
At other locations as well	253	115	23	262	1,296	484

*Set-up costs differ significantly at 0.05 level.

**Maintenance costs differ significantly at 0.05 level.

NOTE: SE = Standard Error.

SOURCE: Web Basic Pilot Employer Survey of Long-Term Users and Web Basic Pilot Employer Registration Data

from $144 for employers in "other industries" to $1,795 for those in public administration/social services. Not surprisingly, maintenance costs were higher for employers that verified employees at multiple locations than for those that verified at only one location ($1,653 versus $490).

The most frequently mentioned specific set-up costs were for training (40 percent of long-term users), telephone fees for Web access (10 percent), and computer hardware (9 percent). The most frequently mentioned operating costs were related to training of replacement staff (20 percent), wages for verification staff (17 percent), and computer maintenance (15 percent). However, not all costs associated with a new system can be easily quantified. Employers may also incur indirect costs for set-up, such as reassignment of employees, additional recruitment, and delayed production.[25] Approximately 97 percent of long-term users reported that the indirect set-up costs were either no burden or only a slight burden, and a similar percentage of the employers said that indirect costs associated with maintaining the system were either no burden or only a slight burden (97 percent).

Based on the nine interviews with employers that had terminated use of the system, it does not appear that the costs of setting up the system were especially high. None of these employers reported any costs in setting up the Web Basic Pilot because they already had computers and Web access. Five of these employers mentioned that the registration process took time but that they did not consider this a cost.

However, four of the nine interviewed employers that had terminated use of the system reported substantial maintenance costs. Most of these costs were associated with the need to hire and train new employees to replace those who were found not to be work-authorized. One employer reported labor costs for the human resources personnel using the Web Basic Pilot system; this employer estimated that the program took 15 minutes to use for each employee verified, which adds up when hundreds of employees are verified.

G. SUMMARY

The following conclusions are based on the analyses in this chapter.

- Although the Web Basic Pilot provides employers with a tool for identifying employees who have presented counterfeit or altered documents indicating that they are work-authorized, it generally does not detect identity fraud that occurs when an employee presents borrowed or stolen documents or counterfeit documents with information about work-authorized persons.

- The evaluation team estimates that approximately 5 percent of employees verified through the Web Basic Pilot program in the first half of fiscal year 2007 were

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[25] Delayed production occurs when employers have to slow production for some reason. For example, this could occur with the Web Basic Pilot if employers fired someone because of a final nonconfirmation and production slowed while the employer looked for a replacement.

employees without work authorization who were either not found to be work-authorized or received a final nonconfirmation.

- The Web Basic Pilot appears to be effective in reducing the level of unauthorized employment at participating establishments. However, the failure of employers to consistently terminate the employment of workers who received final nonconfirmations threatens the effectiveness of a larger scale electronic employment verification program.

- The Web Basic Pilot apparently decreased discrimination in the recruitment and hiring of foreign-born employees because of increased employer willingness to hire *work-authorized* foreign-born employees; this willingness resulted from employers' increased confidence in their ability to distinguish between employees with and without work authorization.

- The Web Basic Pilot increased discrimination against work-authorized foreign-born employees after hiring because foreign-born employees, especially foreign-born citizens, are more likely than U.S.-born employees to receive tentative nonconfirmation findings, with the attendant burdens of contesting erroneous findings. The burden of erroneous tentative nonconfirmations on employees is exacerbated by the failure of some employers to follow Basic Pilot procedures designed to protect employee rights. This failure not only results in additional discrimination but also contributes to non-protected groups being denied their rights.

- SSA and USCIS took reasonable precautions to protect the security of the Web Basic Pilot databases. However, some employers did not consistently inform employees of tentative nonconfirmation findings in private. Concern has also been raised about the potential for individuals other than the designated employees of legitimate employers to use the system to obtain information about the work-authorization status of individuals.

- For most employers, set-up costs for the Web Basic Pilot were less than $100, with a similar annual amount for maintenance. However, some employers reported much higher costs.

- It appears that most employers did not find the Web Basic Pilot unduly burdensome and that they found the process less burdensome than did original Basic Pilot employers did.

CHAPTER V. WHAT HAVE BEEN THE IMPACTS OF CHANGES TO THE WEB BASIC PILOT SINCE ITS INCEPTION?

A. BACKGROUND

1. INTRODUCTION

The last two chapters presented the implementation and outcome findings of the evaluation, including comparisons of the Web Basic Pilot to the original Basic Pilot program. However, as noted in Chapter I, the Web Basic Pilot program is not static; the Social Security Administration (SSA) and the U.S. Citizenship and Immigration Services (USCIS) have been taking steps to improve it in anticipation of major future expansion. These include changes designed to make the databases used in the program more accurate, changes to make the Basic Pilot system easier for employers to use, and a procedural change designed to improve the system's ability to detect workers without work authorization. This chapter focuses on the impacts of these changes. Before examining the policy questions, it examines changes in the characteristics of participating employers and workers being verified that should be taken into account in order to understand apparent changes in program outcomes and anticipate future changes.

2. DATA LIMITATIONS

This chapter draws heavily upon data from the following sources.

- Information was obtained directly from the *full Web Basic Pilot transaction database* for June 2004 through March 2007, which is based on almost 3.5 million cases. This is an extremely large sample and constitutes the total population of cases submitted during this time. Although sampling error is not a concern, the possibility of measurement error exists because the USCIS and SSA data provided from employer verification transactions contained some errors due, for example, to employer input errors. Although the data were cleaned, it is not possible to rectify all errors.[1] To examine trends, cases on this file are broken into 6-month intervals based on when they were submitted.

- For the purposes of this chapter, *a longitudinal transaction database* – restricted to employers that had transmitted cases in every 6-month period from October 2004 through March 2007 – was extracted from the full transaction database. This restriction was imposed to assist in the separation of trends attributable to shifts in the characteristics of participating employers from those attributable to changes in the Web Basic Pilot program and databases. A total of 923,024 records for 544 employers were included in the final longitudinal transaction database.

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[1] See Appendix B for additional information on the methodology used for cleaning the transaction database.

- *The secondary data* that were used include information about employer characteristics captured by the Web Basic Pilot system at the time employers registered. Other secondary data that were used to describe employers and employees in the nation as a whole are taken from Federal sources, including the Bureau of Labor Statistics' Job Openings and Labor Turnover Survey (JOLTS), (http://www.bls.gov/jlt/home.htm#data), the Current Population Survey (http://www.census.gov/cps/), and the U.S. Census County Business Patterns 2005 (www.census.gov/csd/susb/usst04.xls).

  Information from Federal data sources is believed to provide valid information about the characteristics of the nation's employers and the workforce; however, these sources do not always collect data that are directly comparable with the available data for the Web Basic Pilot program. For example, the definition of "employer" used in the Web Basic Pilot differs from the definitions of "establishment" and "firm" used by the U.S. Department of Labor. Because of these differences, it is necessary to use the comparative data cautiously.

The Web *surveys of long-term and recently enrolled users of the Web Basic Pilot* included all employers meeting specified criteria. It can be argued that sampling error is not an issue for these surveys; however, to be conservative, tests of significance were performed to determine whether random factors affecting which employers sign up for the program account for employer differences. Like all surveys, the employer surveys are also subject to nonsampling errors, such as nonresponse bias and measurement error.

This chapter uses the *absolute mean difference* of two distributions to determine whether Web Basic Pilot employers and the workers they verify are becoming more similar to all U.S. employers and the employees they hire. This measure is a rough indicator, since it is partially dependent upon the somewhat arbitrary decision of how to categorize variables such as size, geographic region, and industry.

3. THE OCTOBER 21, 2005, PROCEDURAL CHANGE

To understand many of the changes discussed in this chapter, it is necessary to understand the procedural change affecting the verification of noncitizens that was implemented on October 21, 2005. Prior to the changed procedures, persons attesting to being work-authorized noncitizens were found to be work-authorized if SSA records contained adequate information to confirm that they had permanent work-authorization status. Using the revised procedures implemented on October 21, 2005, and described in Chapter I, all noncitizen cases having information on name and date of birth that is consistent with the Social Security number in SSA's records are referred to USCIS, regardless of the work-authorization information in SSA records. As was previously the case, SSA issues tentative nonconfirmations when the SSA database information is inconsistent with the information supplied by the employer on the Form I-9. Also unchanged are the procedures for workers attesting to being U.S. citizens.

Exhibit V-1 shows the process for verifying noncitizens prior to October 21, 2005.[2] Between June 2004 and October 20, 2005, almost 150,000 cases were submitted to the Web Basic Pilot system for persons attesting to being work-authorized noncitizens on their Form I-9s. As illustrated, SSA confirmed work authorization for 45 percent of the noncitizens at the first verification attempt and for 0.2 percent after two or more attempts. Another 16 percent became SSA final nonconfirmation cases when an SSA tentative nonconfirmation was not contested.[3]

Exhibit V-1: Verification Process for Persons Claiming to Be Noncitizens on Form I-9 Prior to the October 21, 2005, Procedural Change
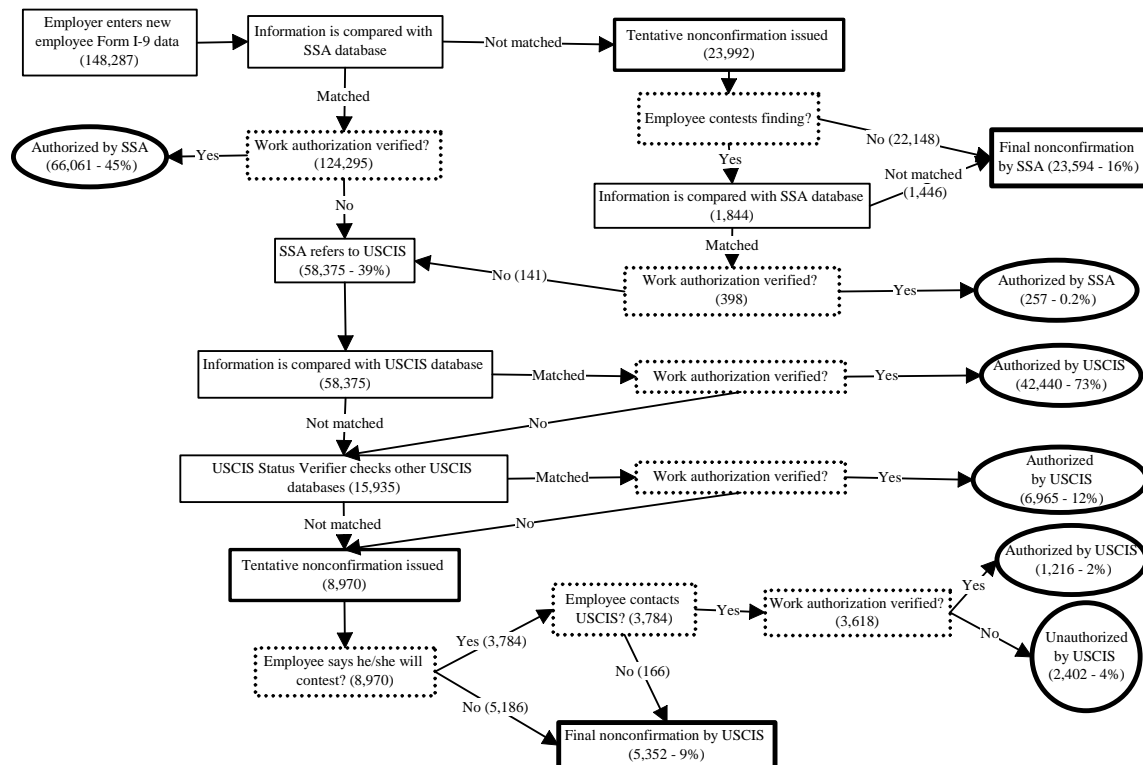
NOTE: Percentages refer to the percentage of decisions made by SSA or USCIS.

SOURCE: Web Basic Pilot Transaction Database: June 2004-October 20, 2005

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[2] The process used after October 20, 2005, is presented in Chapter I.

[3] It is likely that some of the cases that appear to be final nonconfirmation cases were actually reviewed and found by SSA to be work-authorized but were not properly resubmitted to SSA. Indeed, one of the case study employers reported not terminating employees receiving final nonconfirmation findings when the employee provided documentation from SSA that his or her Social Security number was valid. Although it is possible that some of these employees had fraudulent documentation, it is also possible that the person had, in fact, gone to SSA.

B. PROGRAM USAGE

1. INTRODUCTION

Trends in program usage are important not only because they serve as indicators of how well the program has been implemented, but also because the strength of the program in deterring unauthorized employment depends upon its being implemented broadly by U.S. employers. The results of the transaction database analyses in Chapter IV demonstrated substantial progress in expanding the size of the program compared to the original Basic Pilot program. For example, in the 34 months from June 2004 through March 2007, Web Basic Pilot employers verified approximately 3.5 million workers. This is in contrast to the approximately 364,000 employee verifications conducted in the 26 months from November 1997 through December 1999.

This section examines several trends related to overall program usage from the inception of the Web Basic Pilot program through March 2007. It examines trends in the numbers of employers transmitting cases, the number of cases transmitted, and the percentage of employers signing a Memorandum of Understanding (MOU) that used the system within 3 months of signing up. Sections C and D examine the related questions of how these changes vary for employers and workers with different characteristics, as well as the impact of differential changes on the representativeness of employers using the Web Basic Pilot.

2. FINDINGS

The number of employers transmitting cases to the Web Basic Pilot system has increased dramatically over time. As Exhibit V-2 indicates, the number of employers transmitting cases to the Web Basic Pilot system increased from 1,533 during the first half of fiscal year (FY) 2005 to 5,689 in the first half of FY2007, an increase of almost 400 percent.[4]

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[4] These data refer to the number of employers submitting cases to the Basic Pilot rather than the much larger number of employers that have signed MOUs allowing them to use the program.

Exhibit V-2: Trend in the Number of Employers Transmitting Cases to the Web Basic Pilot Program
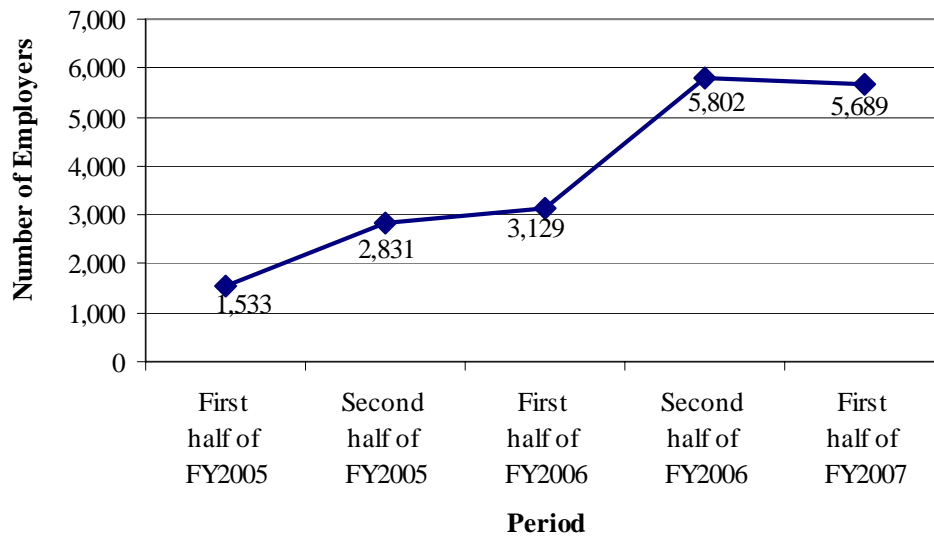
SOURCE: Web Basic Pilot Transaction Database: October 2004-March 2007

The number of Web Basic Pilot verifications has increased even more rapidly than the number of employers using the system. As Exhibit V-3 shows, there were approximately 216,000 Web Basic Pilot verifications during the first half of FY2005. This number had increased almost 500 percent to over 1 million by the first half of FY2007. The fact that the number of verifications has increased faster than the number of employers could have several possible explanations. First, it could be attributable to differences in the types of employers using the system. Second, it is possible that employers are more consistently using the system. Third, employers may be conducting more prescreening now than in the past. This latter hypothesis is given credence by the fact that employment services (which, as discussed earlier, are especially likely to screen job applicants) accounted for 50 percent of transmissions in the first half of FY2007, compared to 41 percent in the first half of FY2005.

Exhibit V-3: Trend in the Number of Web Basic Pilot Verifications and the Ratio of Verifications to Newly Hired Workers Nationally

	First Half of FY2005	Second Half of FY2005	First Half of FY2006	Second Half of FY2006	First Half of FY2007
Number of verifications (000)	216	564	523	968	1,056
Number of newly hired workers in the nation (000)	28,904	28,587	29,753	29,647	29,590*
Ratio of verifications to newly hired workers in the nation	0.007	0.020	0.018	0.033	0.040

*Extrapolated by the evaluation team based on data for the first 3 months of FY2007.

SOURCE: Web Basic Pilot Transaction Database: October 2004-March 2007; and Bureau of Labor Statistics, Job Openings and Labor Turnover Survey (JOLTS) (http://www.bls.gov/jlt/home.htm#data)

Indeed, because of the unique needs of employment services, USCIS verification personnel have told temporary employment agencies (which, according to responses to the long-term user survey, constitute 73 percent of employment agencies and account for 79 percent of verifications by employment agencies) that "once the job offer has been made and accepted, and the Form I-9 completed, temporary employment agencies may verify the new hire's employment eligibility. We would not consider this pre-screening."[5] Although the definition of "hire" as the offering and acceptance of a job offer is not necessarily an unreasonable one, it is not the definition used on the Form I-9, which specifies that hire is "the actual beginning of employment." Using this latter definition, the practice of verifying work authorization prior to the start of work would constitute prescreening. These differing definitions have important implications for the potential discriminatory impact of the Web Basic Pilot program. If "hire" is defined as offering and accepting a job, at least some employers would presumably not let some workers receiving tentative nonconfirmation notices start work until their tentative nonconfirmations are resolved, a practice that would have a disproportionately negative impact on foreign-born persons, as discussed in Chapter IV.[6]

The ratio of Web Basic Pilot verifications to the number of newly hired workers nationally has risen from less than 0.01 to approximately 0.04. Ideally, the evaluation team would estimate the percentage of all newly hired workers screened by the Web Basic Pilot. The reported ratio is likely to be higher than the percent of all new hires verified because the national data reported by the Bureau of Labor Statistics for JOLTS do not include some newly hired workers[7] and because, as discussed in Chapter IV, some verifications are for job applicants rather than newly hired workers.

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[5] Email from the Verification Unit at USCIS, March 20, 2006.

[6] Since the Form I-9, which must be completed before an employee can be verified through the Basic Pilot system, indicates that "hire" refers to the date work starts, there are no regulations indicating whether the employer can delay the start of work until tentative nonconfirmations are resolved. It is not possible to know what employers would do if the definition of "hire" were to be changed; however, it is reasonable to assume that employers would postpone the start of work for those positions that require considerable initial training, given that many employers are unhappy with the loss of training costs for these employees under the current program. On the other hand, employers are likely to let employees immediately start jobs that require minimal or no training. Since these jobs are disproportionately likely to be unskilled labor jobs, the change might make it harder for some foreign-born work-authorized employees to find skilled labor and white collar jobs.

[7] JOLTS defines newly hired workers as "the total number of additions to the payroll occurring at any time during the reference month, including both new and rehired employees, full-time and part-time, permanent, short-term and seasonal employees, employees recalled to the location after a layoff lasting more than 7 days, on-call or intermittent employees who returned to work after having been formally separated, and transfers from other locations. The hires count does not include transfers or promotions within the reporting site, employees returning from strike, employees of temporary help agencies or employee leasing companies, outside contractors, or consultants" (downloaded from http://www.bls.gov/news.release/jolts.tn.htm, June 30, 2007).

The percentage of employers using the system within 3 months of signing the MOU has declined over time. As Exhibit V-4 shows, the proportion of employers that had used the system within 3 months of signing the MOU decreased from 59 percent in the first half of FY2005 to 42 percent in the first half of FY2007. It is possible that this trend can be explained by the increase in the number of small employers (as discussed in Section C), since small employers presumably hire fewer new employees in any period and, therefore, may not have had as many opportunities to use the system as larger employers.

Exhibit V-4: Percentage of Employers That Used the Web Basic Pilot System Within 3 Months of Signing an MOU
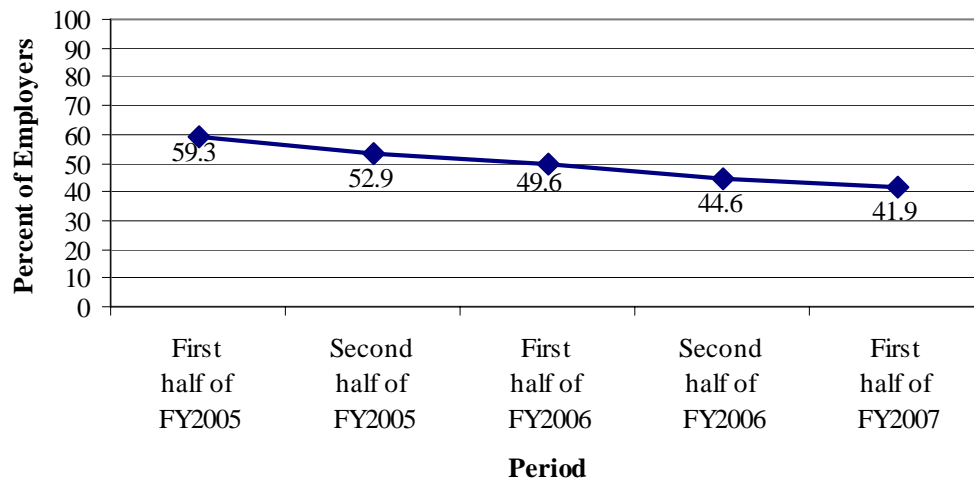
SOURCE: Web Basic Pilot Transaction Database: October 2004-March 2007

C. CHARACTERISTICS OF EMPLOYERS USING THE PROGRAM

1. INTRODUCTION

The preceding section focused on trends in the overall use of the Web Basic Pilot program. This section and Section D examine trends in the characteristics of employers and the workers they verified, respectively, since the rate of change is not necessarily the same in all segments of the population. Different rates of change can result in significant differences in the composition of the employer and employee population over time. For example, if the number of employers in manufacturing increases at a slower rate than the overall rate of increase in the total number of employers, the percentage of employers engaged in manufacturing will decrease. Examination of these trends helps to identify changes that may be confused with real program changes. Asking the related question of whether current Web Basic Pilot employers and the workers verified more closely

resemble the national population may also provide insights into how an expanded program may differ from the current program.[8]

Within this section, trend data are examined for four employer characteristics: industry, size, geographic location, and the reported percentage of the employer's workers who are immigrants. For all but the last characteristic, two sources of data are available: the information that employers reported to USCIS at the time they registered for the Web Basic Pilot program and the information they reported on the employer surveys. These two sources may not be the same because of differences in the questions asked of employers and because the populations are not identical. More specifically, trends based on the information reported to USCIS are for all employers transmitting one or more cases in a particular 6-month period, while the information from the Web Basic Pilot employers is for those employers defined as either long-term or recently enrolled users at the time of the Web Basic Pilot employer surveys.

The information on employer characteristics for those employers transmitting cases by 6-month period provides a better description of the trends in the entire employer population than the information from the employer surveys, since it provides more time points and is based on a larger population of employers.[9] However, it is also helpful to understand the differences between long-term Web Basic Pilot users that also used the original Basic Pilot, other long-term users, and more recently enrolled users. First, differences between recently enrolled users and long-term users may help identify emerging trends obscured by looking at changes in the overall population. Second, using two imperfect sources of data increases the chances of making sound inferences about what is happening. Third, in examining whether differences among survey respondents on variables such as satisfaction and compliance can be explained by changes in employer characteristics, it is the characteristics of the employer respondents that must be considered and controlled for, when necessary.

2.   FINDINGS

a.   INDUSTRY

The industrial distribution of Web Basic Pilot employers is now more similar to the national distribution than it was at the start of the program. The mean absolute difference between the percentage of Web Basic Pilot employers in an industry and the percentage of all U.S. employers in that industry decreased from 11.2 to 10.4 from the first half of FY2005 to the first half of FY2007 (Exhibit V-5). An examination of changes in the industrial distribution for survey respondents shows an even greater downward trend in the mean absolute difference value. This measure is 12.1 for long-term users continuing from the original Basic Pilot program, 10.0 for long-term users that did not

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[8] The evaluation team believes that the resulting changes in the composition of employers and workers verified is of greater interest than the actual rates of changes and, therefore, has emphasized the changes in the composition of the employers using the system.

[9] One caveat on using the information the employer reported to USCIS is that there have been changes over time in the definition of what constitutes an employer.

use the original Basic Pilot, and 9.8 for recently enrolled Web Basic Pilot users (Exhibit V-6).

Exhibit V-5: Trend in Percentage of Employers Transmitting Cases to the Web Basic Pilot Transaction Database, by Industry and in Comparison to the Nation as a Whole

Industry	First Half of FY2005	Second Half of FY2005	First Half of FY2006	Second Half of FY2006	First Half of FY2007	Nation
Agriculture, forestry, fishing, hunting	3.2	3.5	3.4	2.2	2.2	0.3
Mining, utilities, construction	5.9	6.5	5.4	6	5.8	11.1
Manufacturing	32.8	27.5	25.9	18.1	18.0	4.4
Wholesale/retail trade	4.4	5.1	4.9	8.1	8.4	20.7
Technical/education/arts/entertainment	4.4	6.1	6.0	5.7	5.9	13.7
Employment services	13.5	14.2	17.6	23.7	24.6	0.5
Public administration/social services	11.2	16.4	16.5	11.3	10.9	24.3
Accommodation/food services	20.1	15.4	15.5	21.4	20.8	8.0
Other industries	4.4	5.2	4.8	3.7	3.5	16.3
Mean absolute difference between Web Basic Pilot and nation	**11.2**	**9.4**	**9.8**	**10.4**	**10.4**	

SOURCE: Web Basic Pilot Transaction Database: October 2004-March 2007, and U.S. Census County Business Patterns 2005

Exhibit V-6: Industry of Web Basic Pilot Employers, by When They Started Using the Basic Pilot and in Comparison to the Nation as a Whole

Industry	Used Both Systems (%)	Used Only Web Basic Pilot (%)	Recently Enrolled Web Basic Pilot Users (%)	Nation (%)
Agriculture, forestry, fishing, hunting	4.4	3.5	1.9	0.3
Mining, utilities, construction	4.2	5.4	11.1	11.1
Manufacturing	48.7	35.3	12.7	4.4
Wholesale/retail trade	2.9	7.3	24.8	20.7
Technical/education/arts/entertainment	8.0	12.9	7.5	13.7
Employment services	9.3	13.2	32.9	0.5
Public administration/social services	18.1	19.2	4.8	24.3
Accommodation/food services	4.4	3.1	4.3	8.0
Other industries	4.4	3.1	4.3	16.3
Mean absolute difference between Web Basic Pilot and nation	**12.1**	**10.0**	**9.8**	

SOURCE: Web Basic Pilot Employer Surveys of Long-Term and Recently Enrolled Users and U.S. Census County Business Patterns 2005

The following are more specific findings related to industry.

- **The percentage of Basic Pilot employers engaged in manufacturing has declined over time but is still above the national level.** Among employers transmitting cases, the percentage of employers engaged in manufacturing decreased from 33 percent in the first half of FY2005 to 18 percent in the first half of FY2007, compared to 4 percent of employers nationally (Exhibit V-5). The percentage of employers engaged in manufacturing declined from 49 percent of employers that had participated in both the original Basic Pilot and the Web Basic Pilot programs to 13 percent of recently enrolled Web Basic Pilot users (Exhibit V-6).

- **The percentage of Basic Pilot employers in wholesale or retail trade has increased but is still below the national figure.** The percentage of employers in wholesale or retail trade that transmitted cases to the transaction database increased from 4.4 percent to 8.4 percent between the first half of FY2005 and the first half of FY2007, compared to the 20.7 percent of U.S. employers in this industry. Among employer survey respondents, 2.9 percent of original Basic Pilot users and 24.8 percent of recently enrolled users are in wholesale or retail trade.

- **Unlike other types of employers, the percentage of Basic Pilot employers in the employment services industry is now less similar to the national figures than was true for earlier employers.** Among employers transmitting cases, the percentage of employers in employment services rose from 13.5 percent in the first part of FY2005 to 24.6 percent in the first half of FY2007, compared to the national percentage of 0.5 percent. Among employer survey respondents, the representation of employment services increased from 9.3 percent of long-term users that had participated in the original Basic Pilot program to 13.2 percent of long-term users that had not participated and to 32.9 percent of recently enrolled users. These findings suggest that the Web Basic Pilot is particularly attractive to employers in the employment services sector.

b. EMPLOYER SIZE

Although current Web Basic Pilot users more closely resemble all U.S. employers in terms of size than was true in the past, large employers are still significantly overrepresented among Web Basic Pilot users. The mean absolute difference has declined from 36 to 21 (Exhibit V-7). With the expansion of the program, more Web Basic Pilot users are now small employers (defined here as employers with fewer than 100 employees). In the first half of FY2005, 27 percent of employers transmitting cases were small compared to 56 percent in the first half of FY2007. The definition of employer used in the Web Basic Pilot is somewhere between the U.S. Census Bureau's definitions of an establishment and a firm. The national estimate of the percentage of all establishments with fewer than 100 employees is 98 percent, and the estimated percentage of all firms with fewer than 100 employees is 79 percent (not shown). Thus, it is clear that small employers are still underrepresented among Web Basic Pilot users.

Exhibit V-7: Trend in Percentage of Employers Transmitting Cases to the Web Basic Pilot Transaction Database, by Employer Size and in Comparison to the Nation as a Whole

Employer Size	First Half of FY2005	Second Half of FY2005	First Half of FY2006	Second Half of FY2006	First Half of FY2007	Nation
< 100	26.7	33.2	36.9	56.4	56.2	97.7
100-499	44.8	42.4	39.9	28.4	28.2	2.1
500-999	12.6	10.9	10.5	6.9	7.0	0.2
≥ 1,000	15.9	13.5	12.7	8.4	8.6	0.2
Mean absolute difference between Web Basic Pilot and nation	**35.5**	**32.2**	**30.4**	**20.6**	**20.7**	

NOTE: National employer size is based on establishment size; Web Basic Pilot employer data are based on employer size reported by employers to USCIS, which may be either firm or establishment data.

SOURCE: Web Basic Pilot Transaction Database: October 2004-March 2007, and U.S. Census County Business Patterns 2005

The employer survey data also showed increasing representation of small employers over time (Exhibit V-8). Small employers accounted for 13 percent of long-term users continuing from the original Basic Pilot, 23 percent of long-term users not participating in the original Basic Pilot, and 33 percent of recently enrolled users.

Exhibit V-8: Size of Web Basic Pilot Employers, by When They Started Using the Basic Pilot and in Comparison to the Nation as a Whole

Employer Size	Used Both Systems (%)	Used Only Web Basic Pilot (%)	Recently Enrolled Web Basic Pilot Users (%)	Nation (%)
< 100	12.9	23.2	33.4	97.7
100-499	38.7	48.2	39.2	2.1
500-999	21.1	14.2	10.3	0.2
≥ 1,000	27.3	14.4	17.1	0.2
Mean absolute difference between Web Basic Pilot and nation	**42.4**	**37.2**	**32.1**	

NOTE: National employer size is based on establishment size; Web Basic Pilot employer data are for all establishments for which the employer is verifying.

SOURCE: Web Basic Pilot Employer Surveys of Long-Term and Recently Enrolled Users and U.S. Census County Business Patterns 2005

c. GEOGRAPHIC LOCATION

The geographic distribution of Web Basic Pilot employers has become increasing similar to the national distribution over time. The trend in the mean absolute difference in geographic categories for employers transmitting cases declined from 6.0 in the first half of FY2005 to 2.7 in the first half of FY2007 (Exhibit V-9). However, the mean absolute difference for employers that recently enrolled in the Web Basic Pilot program was 10.5, compared to 5.5 for those continuing from the original Basic Pilot and 5.2 for long-term users that did not use the original Basic Pilot (Exhibit V-10).

The percentage of employers among those transmitting cases in States with high concentrations of immigrants (California, Arizona, Texas, and Florida) has declined, while the percentage from the Northeast has increased. The percentage of California employers transmitting cases decreased from 18.4 percent to 13.2 percent between the first half of FY2005 and the first half of FY2007, compared to 11.6 percent of employers in the nation (Exhibit V-9). The corresponding declines for Arizona and Texas were from 16.2 percent to 10.1 percent, compared to 8.5 percent for the nation. Florida declined from 7.3 percent to 5.7 percent, with the result that the representation of Florida employers among Web Basic Pilot users is now below their share in the nation as a whole (6.8 percent). The proportion of Web Basic Pilot employers in the Northeast increased from 11.7 percent during the first half of FY2005 to 25.2 percent during the first half of FY2007, slightly above their representation in the national population (22.2 percent).

Exhibit V-9: Trend in Percentage of Employers Transmitting Cases to the Web Basic Pilot Program Transaction Database, by Geographic Location and in Comparison to the Nation as a Whole

Geographic Location	First Half of FY2005	Second Half of FY2005	First Half of FY2006	Second Half of FY2006	First Half of FY2007	Nation
California	18.4	17.6	15.5	14.0	13.2	11.6
Arizona/Texas	16.2	14.7	13.0	10.2	10.1	8.5
Northeast	11.7	13.2	16.1	25.3	25.2	22.2
Northern/Western	19.8	19.8	19.5	19.0	19.5	27.5
Midwest	15.4	13.4	13.1	11.6	12.6	9.3
Southern	11.2	14.5	16.5	14.2	13.7	14.1
Florida	7.3	6.8	6.3	5.8	5.7	6.8
Mean absolute difference between Web Basic Pilot and nation	**6.0**	**4.8**	**4.2**	**2.7**	**2.7**	

SOURCE: Web Basic Pilot Transaction Database: October 2004-March 2007

Recently enrolled users were more likely than long-term users to be located in the Northeast or Midwest. Among recently enrolled users, 36 percent were located in the Northeast and 32 percent were located in the Midwest, compared to 13 percent and 17 percent, respectively, of long-term users that had used the original Basic Pilot (Exhibit V-10). This trend possibly reflects the expansion of the program nationwide in 2004 and new immigrant movement to nontraditional locations. This shift may continue as the legislatures in some States with rapidly increasing immigrant populations mandate use of the Web Basic Pilot for all or segments of their employers.

Exhibit V-10: Geographic Location of Web Basic Pilot Employers, by When They Started Using the Basic Pilot and in Comparison to the Nation as a Whole

Geographic Location	Used Both Systems (%)	Used Only Web Basic Pilot (%)	Recently Enrolled Web Basic Pilot Users (%)	Nation (%)
California	17.6	13.2	4.6	11.6
Arizona/Texas	13.4	14.6	6.0	8.5
Northeast	13.2	10.9	36.1	22.2
Northern/Western	17.4	23.2	12.7	27.5
Midwest	16.5	19.8	32.2	9.3
Southern	15.2	12.1	5.8	14.1
Florida	6.5	6.3	2.6	6.8
Mean absolute difference between Web Basic Pilot and nation	**5.5**	**5.2**	**10.5**	

SOURCE: Web Basic Pilot Employer Surveys of Long-Term and Recently Enrolled Users and U.S. Census County Business Patterns 2005

d. *IMMIGRANT WORKERS*

Recently enrolled users were more likely than long-term users to report having a small percentage of foreign-born employees. The percentage of employers reporting that fewer than 5 percent of their employees are foreign born was 54.1 percent for recently enrolled users, compared to 14.5 percent for long-term users that had used the original Basic Pilot program and 23.7 percent of long-term users that did not use the original Basic Pilot program (Exhibit V-11).[10]

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[10] The evaluation team is unaware of a national estimate that can be used for comparison purposes.

Exhibit V-11: Reported Percentage of Employees Who Are Immigrants among Web Basic Pilot Employers, by When the Employer Started Using the Basic Pilot

Percentage of Immigrant Employees	Used Both Systems (%)	Used Only Web Basic Pilot (%)	Recently Enrolled Web Basic Pilot Users (%)
None	2.0	2.6	12.0
< 5%	12.5	21.1	42.1
6-20%	25.1	21.7	18.8
21-40%	24.3	23.8	10.1
41-80%	29.7	24.3	10.1
81-95%	5.8	5.7	3.4
> 95%	0.6	0.9	0.0

SOURCE: Web Basic Pilot Employer Surveys of Long-Term and Recently Enrolled Users

D. CHARACTERISTICS OF WORKERS BEING VERIFIED

1. INTRODUCTION

Section C discussed changes in the distribution of employers using the Web Basic Pilot since its inception. Since some types of employers may transmit disproportionately high or low numbers of cases, the distributions of workers verified may not completely parallel the employer distributions, even when a variable such as industry is examined. This section examines the characteristics of workers verified, by employer industry, size, and geographic location. It also examines changes in the distribution of citizenship status and place of birth for workers verified between October 2004 and March 2007.

2. FINDINGS

a. INDUSTRY

In terms of employer industrial classification, the distribution of workers verified did not become more similar to the national distribution of workers. In fact, the change was in the opposite direction, with the mean of the absolute values for cases transmitted by industry for the Web Basic Pilot compared to the nation increasing slightly from 10.6 to 11.2 between the first half of FY2005 and the first half of FY2007 (Exhibit V-12).

Exhibit V-12: Trend in the Percentage of Verifications of Newly Hired Workers by Web Basic Pilot Employers, by Industry and in Comparison to the Nation as a Whole

Industry	First Half of FY2005	Second Half of FY2005	First Half of FY2006	Second Half of FY2006	First Half of FY2007	Nation (First Half of FY2007)
Mining, utilities, construction	3.8	4.1	4.1	3.7	3.0	7.4
Animal food manufacturing	11	12.7	11.2	9.2	8.6	0
Other food manufacturing	2.1	2	1.8	1.5	1.4	1.2
Other manufacturing	4.1	4.8	4.9	5.2	3.8	4.4
Wholesale/retail trade	3.5	4.2	4.6	4.2	6.3	18.1
Professional/scientific/technical/ education/arts/entertainment	7.4	5.6	6.9	7.3	6.9	23.3
Employment services	40.9	40.6	42.7	46.9	50.0	3.1
Public administration/social services	12.2	11.8	10.7	9.2	8.8	26.0
Accommodations and food services	12.7	11.4	10.1	10.1	8.7	9.5
Other industries	2.2	2.8	3.1	2.7	2.5	7.1
Mean absolute difference between Web Basic Pilot and nation	**10.6**	**10.6**	**10.5**	**10.9**	**11.2**	

NOTE: Employers in agriculture/forestry/fishing/hunting were excluded because of a lack of national data.

SOURCE: Web Basic Pilot Transaction Database: October 2004-March 2007; and Bureau of Labor Statistics, Job Openings and Labor Turnover Survey (JOLTS) (http://www.bls.gov/jlt/home.htm#data)

In the first half of FY2007, almost half of all verifications were submitted by Web Basic Pilot employers in employment services, a significant increase from the first half of FY2005. The percentage of verifications performed by employers in the employment services industry increased from 41 percent to 50 percent. Throughout this period, the percentage of verifications by this sector far outstripped the percentage of enrolled employers in this industry. Although employment services employers report being larger than the average of all Web Basic Pilot employers, it is also possible that their high transmission rate reflects a greater proclivity of these employers to prescreen.

b. *EMPLOYER SIZE*

The percentage of verifications performed by small employers has increased and is now more similar to the national percentage of workers hired by small employers. The percentage of verified workers working for employers with fewer than 100 employees more than doubled between the first half of FY2005 and the first half of FY2007 (from 20.0 percent to 41.5 percent) (Exhibit V-13). As a result of this increase, the distribution of verifications by small employers more closely resembles the national

distribution of employees of small establishments.[11] Overall, the mean absolute percentage difference decreased from 18.1 in the first half of FY2005 to 9.1 in the first half of FY2007.

Exhibit V-13: Trend in the Percentage of Verifications by Web Basic Pilot Employers, by Employer Size and in Comparison to the Nation as a Whole

Employer Size	First Half of FY2005	Second Half of FY2005	First Half of FY2006	Second Half of FY2006	First Half of FY2007	Nation (March 2006)
< 100	20.0	20.4	26.5	36.7	41.5	57.0
100-250	8.3	8.7	9.4	10.4	9.4	16.6
251-500	18.2	15.3	15.0	12.7	10.4	9.4
501-1,000	12.1	12.5	12.1	10.6	9.1	6.7
> 1,000	41.4	43.1	37.1	29.6	29.7	10.4
Mean absolute difference between Web Basic Pilot and nation	**18.1**	**17.8**	**15.1**	**10.6**	**9.1**	

NOTE: National figures are based on all employees, while Web Basic Pilot figures are based on verifications, which should be similar to newly hired workers.

SOURCE: Web Basic Pilot Transaction Database: October 2004-March 2007, and Quarterly Census of Employment and Wages, 2006

c. GEOGRAPHIC LOCATION

The geographic distribution of Web Basic Pilot verifications has become more similar to the national distribution of newly hired workers. In the first half of FY2005, the mean absolute difference was 6.0; in the first half of FY2007, it had declined to 2.7 (Exhibit V-14).

The percentage of verifications by employers in California, Arizona/Texas, and Florida is declining. The percentage of verifications from these four States has declined from a total of 46 percent of all verifications in the first half of FY2005 to 31 percent in FY2007, compared to 27 percent of all newly hired workers in these States. At least part of this change has presumably occurred because the original Basic Pilot was targeted at employers in a limited number of States, including California, Arizona, Texas, and Florida, prior to being expanded nationwide in December 2004.

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[11] The evaluation team was unable to locate an estimate of the percentage of workers newly hired by small employers. Furthermore, as discussed above, the definition of employer used by USCIS is not the same as either the U.S. Census Bureau's definition of establishments or its definition of firms. Thus, the percentage of employees of small establishments must be considered a very rough estimate of the national distribution of workers newly hired by small employers.

Exhibit V-14: Trend in the Percentage of Verifications of Newly Hired Workers by Web Basic Pilot Employers, by Geographic Location and in Comparison to the Nation as a Whole

Geographic Location	First Half of FY2005	Second Half of FY2005	First Half of FY2006	Second Half of FY2006	First Half of FY2007	Nation (First half of FY2007)
California	15.2	17.2	10.8	10.4	9.3	11.2
Arizona/Texas	23.5	19.7	23.1	19.2	16.6	9.5
Northeast	10.3	9.2	10.7	15.7	17.1	21.3
Northern/Western	16.2	17.1	17.7	20.4	20.6	28.1
Midwest	15.6	15.2	14.8	13.2	13.5	9.0
Southern	12.3	15.8	17.6	16.0	17.7	15.0
Florida	7.0	5.9	5.2	5.1	5.2	6.0
Mean absolute difference between Web Basic Pilot and nation	**7.3**	**6.6**	**6.3**	**4.3**	**4.1**	

SOURCE: Web Basic Pilot Transaction Database: October 2004-March 2007; and Bureau of Labor Statistics, Job Openings and Labor Turnover Survey (JOLTS) (http://www.bls.gov/jlt/home.htm#data)

d. CITIZENSHIP STATUS AND PLACE OF BIRTH

i. Introduction

There are two sources of information about the citizenship status and place of birth of persons verified by the Web Basic Pilot program, both of which have drawbacks. First, there is information provided by the person being verified on the Form I-9. This information distinguishes persons attesting to be U.S. citizens, lawful permanent residents, or other work-authorized noncitizens. The strength of this data source is that it is available for all persons verified. Its weaknesses are that it does not distinguish between foreign-born and U.S.-born citizens and, of course, does not indicate which persons verified are not work-authorized but are using work-authorized categories in support of their fraudulent documentation. Additionally, this information is self-reported, and there is some evidence from earlier record reviews that some workers make mistakes because they do not understand the categories.

The second source of information is SSA data on citizenship status and place of birth. This data source does differentiate between foreign-born and U.S.-born citizens. However, no information is available if SSA data cannot be matched with employer-provided data, which is the case for most SSA final nonconfirmation cases because of the high percentage of these cases that are not contested.

ii. Findings

There has been a marked increase in the percentage of persons attesting to being U.S. citizens on the Form I-9 and decreases in the percentage of persons saying that they are "lawful permanent residents" or "aliens authorized to work." The percentage of persons attesting to being citizens increased from 81 percent to 87 percent

between the first half of FY2005 and the first half of FY2007 (Exhibit V-15). At the same time, the percentage of lawful permanent residents decreased from 15 percent to 11 percent and the percentage of other "aliens authorized to work" decreased from 4 percent to 2 percent. This trend is not unexpected, given the expansion of the Web Basic Pilot program to the entire nation. However, it does require caution to be taken in examining trends likely to be associated with citizenship status.

Exhibit V-15: Trend in Distribution of Form I-9 Citizenship Status

Form I-9 Status	First Half of FY2005	Second Half of FY2005	First Half of FY2006	Second Half of FY2006	First Half of FY2007
All transactions	216,371	565,142	523,681	969,984	1,148,977
U.S. citizen or national (%)	80.6	83.1	85.0	86.2	87.2
Lawful permanent resident (%)	15.3	13.7	12.1	11.2	10.6
Alien authorized to work (%)	4.1	3.2	2.9	2.6	2.2

SOURCE: Web Basic Pilot Transaction Database: October 2005-March 2007

The percentage of foreign-born persons among cases that can be matched to the SSA database has also declined over time; however, the percentage of Web Basic Pilot verifications for foreign-born workers is still higher than the percentage of foreign-born workers in the nation. In FY2005, the percentage of foreign-born persons among workers verified was 21.0 percent among those workers matched by SSA (not shown). By FY2007, this percentage had declined to 17.7 percent. Since the cases for which SSA cannot provide information are primarily cases with an SSA final nonconfirmation, it is likely that these numbers underestimate the actual percentage of foreign-born workers among those cases submitted to the Web Basic Pilot. The Bureau of Labor Statistics estimates that the percentage of foreign-born workers (including undocumented workers) in the U.S. labor force was 14.8 percent in 2005 and 15.3 percent in 2006.[12] These data suggest that verifications are increasingly reflecting the citizenship status and place of birth of the U.S. workforce.

e. CHANGES IN ACCURACY

i. Introduction

An effective and efficient employment verification program requires a high level of data accuracy. Inaccurate results contribute to tentative nonconfirmation findings and therefore to undue burden on employers, employees, and the Federal government; contribute to discrimination; and reduce the program's effectiveness in deterring unauthorized employment. The original Basic Pilot evaluation found that inaccurate data were a major source of the problems noted in the evaluation. As discussed in Chapter IV, the Web Basic Pilot program is more accurate than the original Basic Pilot program, based on the two primary indicators of accuracy used in this report: the erroneous

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[12] U.S. Department of Labor, Bureau of Labor Statistics, News (April 25, 2007) (http://www.bls.gov/news.release/pdf/forbrn.pdf).

tentative nonconfirmation rate for ever-authorized workers and the percentage of all cases that were verified automatically. This section focuses on changes in these indicators since the program's inception. The implications of changes in these rates for discrimination and unauthorized employment are discussed in other sections of the report.

The October 21, 2005, procedural changes to refer all noncitizen cases to USCIS regardless of work-authorization information in SSA records had significant potential for affecting the accuracy of case findings. It is, therefore, helpful to start with an examination of the impacts of this change prior to looking at the overall trends.

ii.   Findings

(a)   The October 21, 2005, Procedural Change

The intent of the October 21, 2005, procedural change was to increase the ability of the Web Basic Pilot program to detect unauthorized employment. Since noncitizens who were previously found to be work-authorized by SSA were referred to USCIS for further verification, it is reasonable to also expect that the procedural change would result in a higher number of these noncitizens receiving tentative nonconfirmations. This would decrease the rate of cases verified automatically and increase the rate of erroneous tentative nonconfirmations among ever-authorized noncitizens. To obtain some idea of the effect of the changed procedures on the accuracy of program findings, the evaluation team compared the case outcomes for noncitizens under the new procedures with what they would have been if the old procedures had continued.

Most noncitizens that would have been found to be work-authorized by SSA under the old procedures were found to be work-authorized by USCIS using the post-October 21, 2005, procedures. Exhibit V-16 provides an overview of the findings for those post-October 21, 2005, noncitizen cases that would have received a work-authorized finding from SSA if the procedures had not been changed to require referral to USCIS. As the exhibit shows, most (92 percent) of the cases that SSA would have found to be work-authorized under the pre-October 21, 2005, process were also found to be work-authorized under the new procedures. However, 8 percent of noncitizens whose SSA records indicated that they were work-authorized were either found by USCIS to be not work-authorized or became final nonconfirmation cases when sent to USCIS.

Exhibit V-16: Outcomes for Noncitizens Processed Under the Post-October 21, 2005, Procedures Who Would Have Received an SSA Finding of Work-Authorized Under the Old Procedures (N = 171,112)
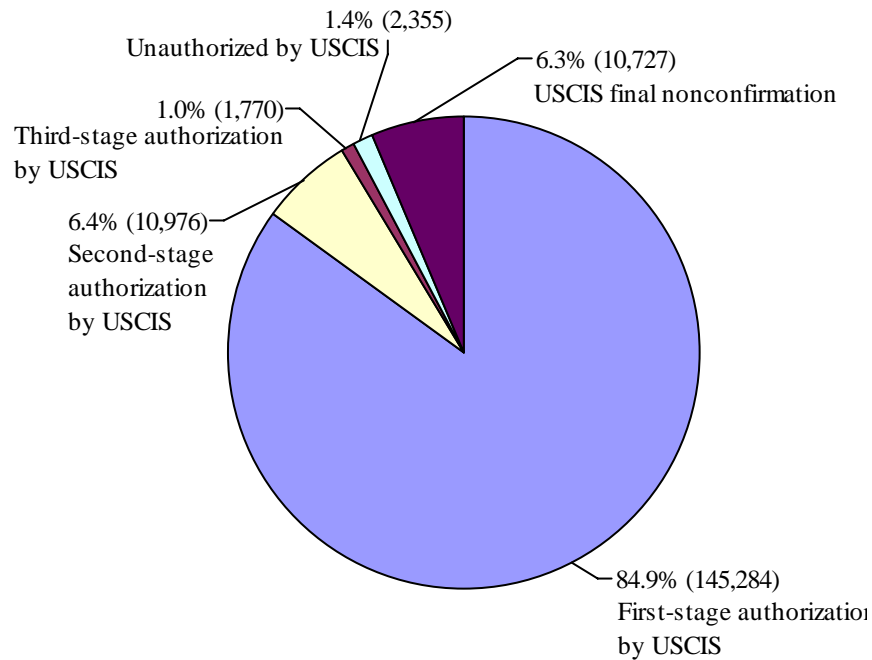
SOURCE: Web Basic Pilot Transaction Database: October 21, 2005-March 2007

The changed procedures have increased USCIS's workload without decreasing SSA's workload. The October 21, 2005, changed procedures led to a higher percentage of cases being referred to USCIS, substantially increasing USCIS's workload. Exhibit V-17 shows that the percentage of cases submitted to USCIS rose from 7 percent (June 2004 through October 20, 2005) to 12 percent (October 21, 2005, through March 2007). This change occurred even though the percentage of workers verified overall increasingly attested to being U.S. citizens.

Exhibit V-17: Comparison of Web Basic Pilot Outcomes before and After the October 21, 2005, Change to Procedures

Outcome	June 2004 - Oct. 20, 2005	Oct. 21, 2005 - March 2007
Total transactions	**841,714**	**2,638,941**
Decided by SSA	93%	88%
Decided by USCIS	7%	12%
Number of SSA decisions	**841,714**	**2,638,941**
First-stage authorization	86%	83%
Second-stage authorization	1%	0%
Final nonconfirmation	6%	5%
Referred to USCIS	7%	12%
Number of USCIS decisions	**58,375**	**305,918**
First-stage authorization	73%	80%
Second-stage authorization	12%	10%
Third-stage authorization	2%	1%
Unauthorized by USCIS	4%	2%
Final nonconfirmation by USCIS	9%	7%

NOTE: Details do not add to total because of rounding.

SOURCE: Web Basic Pilot Transaction Database: June 2004-March 2007

The changed procedures decreased the percentage of noncitizen cases that were automatically found to be work-authorized and increased their erroneous tentative nonconfirmation rate. Approximately 10,976 (6 percent) of the noncitizen cases that would have been authorized by SSA using the pre-October 21, 2005, rules were authorized by USCIS at the second stage. These cases incurred an additional $0.48 system processing fee, plus costs for the manual verification process performed by Immigration Status Verifiers (estimated to be approximately $7 per case).[13] However, assuming that employers follow Basic Pilot procedures, the only impact of this extra step on employers and employees would be a delay of approximately 1 day in obtaining information on the work-authorization status of the employee. It is, of course, possible that some employers have taken adverse actions against employees during this extra processing step, although the evaluation has no evidence that indicates whether this is the case.

Another 1,770 (1 percent) of the cases that would have been found to be work-authorized by SSA became third-stage USCIS work-authorized cases under the new procedure. In these cases, employees and employers incurred the burdens associated with erroneous tentative nonconfirmations and the Federal government incurred additional processing expenses estimated at approximately $31 per case.

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[13] The per-case costs for second and third step verifications were estimated based on data provided by USCIS on the workload, salaries, and overhead costs of Immigration Status Verifiers and supervisors.

It seems likely that the revised procedures have resulted in the identification of more persons without work authorization than was true under the prior procedures. A small number (2,355, or 1.4 percent) of the cases that would have been first-stage SSA work-authorization cases under the pre-October 21, 2005, rules were found to be unauthorized by USCIS, and another 10,727 cases (6.3 percent) became USCIS final nonconfirmation cases. Although it is almost certain that not all of these final nonconfirmation cases lacked authorization to work, based on the findings of the prior evaluations of the Immigration Reform and Immigrant Responsibility Act pilots, it is likely that a high percentage are not work-authorized. It, therefore, appears that the revised procedure is more effective than the previous process in identifying additional workers without work authorization.

The revised procedures are more discriminatory than necessary since they require noncitizens to be checked using two different matching algorithms, while citizens are subject only to the SSA algorithm. USCIS and SSA use different algorithms for determining whether available information on name and date of birth is consistent with the submitted Social Security number or Alien number. Given the differences in the data file structures between the two agencies, it is not immediately possible to avoid the necessity for both the Social Security number and the Alien number to be input correctly in order to obtain a match from both agencies. However, the matching algorithms used by the two agencies in determining the correspondence between name and date of birth could be revised so that they are consistent.

To obtain some insight into the impact of these different algorithms, the evaluation team determined what the case outcomes of U.S. citizen cases found to be work-authorized by SSA on the initial match between June 2004 and March 2006 would have been, if they had been subject to a second match using the USCIS algorithm on name and date of birth.[14] As expected, the overwhelming majority of cases (99.7 percent) that SSA found to be work-authorized without a tentative nonconfirmation during this period would also have matched using the USCIS algorithm. However, 3,100 additional workers would have received tentative nonconfirmations using the USCIS algorithm, representing an increase of 5.6 percent in the number of tentative nonconfirmations issued. Furthermore, for illustrative purposes, if it is assumed that three-quarters of the U.S. citizen workers receiving tentative nonconfirmations under the hypothetical double verification scenario would contest and be found to be work-authorized under these hypothetical procedures, the erroneous tentative nonconfirmation rate for citizens found to be work-authorized between June 2004 and March 2006 would have been 0.8 percent rather than the observed 0.6 percent.[15]

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[14] The reverse, and more interesting, question of what percentage of noncitizen cases would have matched USCIS records if USCIS used SSA's matching criteria was not explored because the complexity of the criteria used by SSA could not be easily emulated.

[15] To conduct this analysis, the evaluation team used a previous version of the transaction database that was subject to slightly different cleaning routines than the current transaction database. The older database, unlike the one in the current study, included SSA information for individuals.

(b)   Overall Trends in the Accuracy of Findings

Although the percentage of cases that were verified automatically has increased over time, much of the increase is likely due to changes in the employer population. The percentage of all cases authorized automatically increased from 90.2 percent to 93.0 percent between the first half of FY2005 and the first half of FY2007 (Exhibit V-18). However, as seen in Sections C and D of this chapter, the composition of employers and their employees was not constant during this time period. To control for these differences, the evaluation team examined the trend for those employers that transmitted one or more cases during each of the 6-month periods over this time period. The percentage of cases authorized automatically increased for these employers, but the increase was considerably smaller (from 91.4 percent to 91.7 percent) than the trend for the verification requests of all employers – 0.3 percentage points compared to 2.8 percentage points.

The change in the percentage of cases verified automatically after the October 21, 2005, procedural change would have been greater if the procedural change had not been made. There was a decrease in the percentage of all workers authorized automatically in the 6-month period before the change and the 6 months after the change. The rate was 91.6 percent in the second half of FY2005, compared to 91.0 percent in the first half of FY2006. This decline was presumably attributable to the procedural change (Exhibit V-18). The change in the rate of cases verified automatically for employers continuing between these two time periods was even more dramatic (from 92.1 percent to 90.8 percent).

Exhibit V-18: Trend in Percentage of Screened Workers Who Were Verified Automatically, for All Employers and Employers Transmitting in Each of the 6-Month Periods Examined
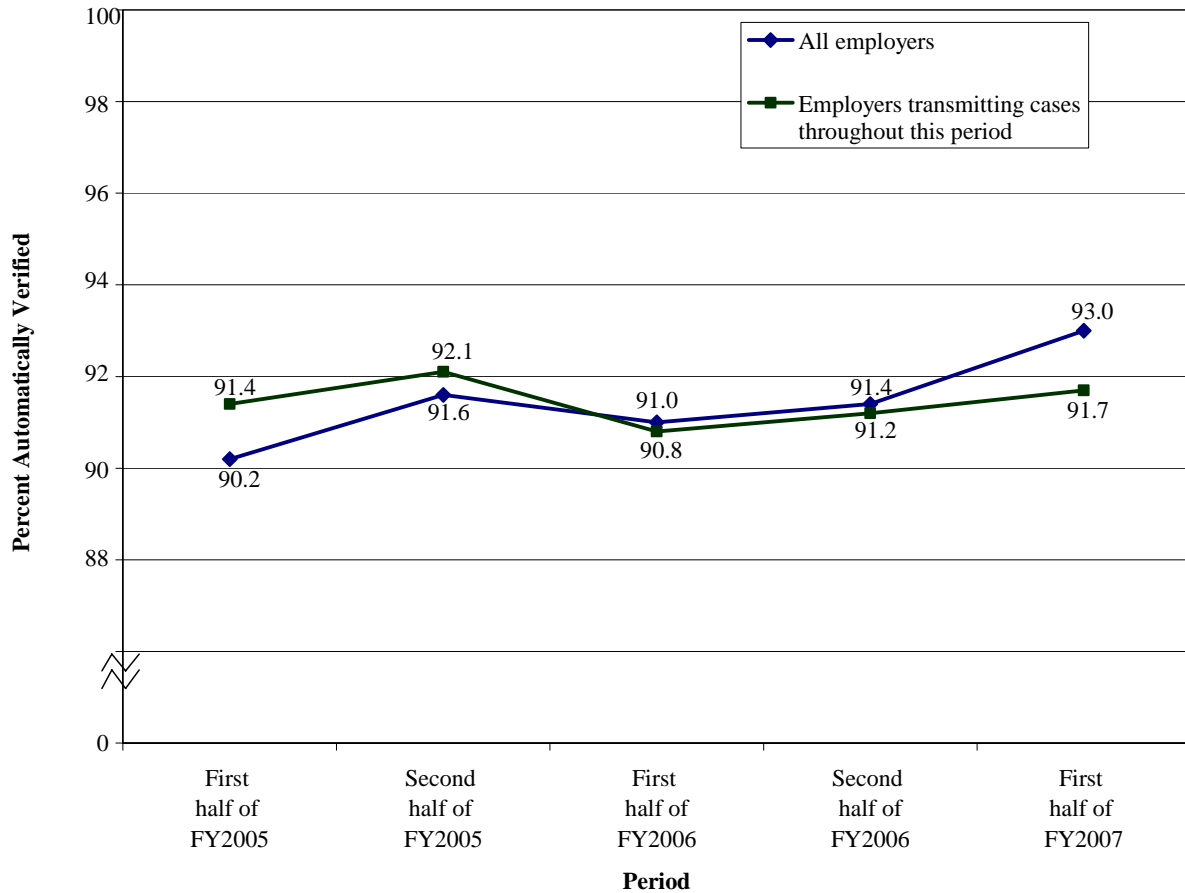
SOURCE: Total and Longitudinal Web Basic Pilot Transaction Databases: October 2004-March 2007

The erroneous tentative nonconfirmation rate for all ever-authorized cases has declined over time, despite an increase immediately after implementation of the October 21, 2005, procedural change. The erroneous tentative nonconfirmation rate for all ever-authorized workers declined from 0.8 in the first half of FY2005 to 0.5 in the first half of FY2007 (Exhibit V-19). Limiting the analysis to employers transmitting cases throughout this period, the erroneous tentative nonconfirmation rate for ever-authorized workers declined from 0.8 in the first half of FY2005 to 0.6 in the first half of FY2007. For these continuing employers, the error rate for the first half of FY2006 (the period immediately after the October 21, 2005, change) was slightly higher than the rate for the first half of FY2005 (0.8 compared to 0.7). There was no corresponding increase observed for all employers.

Exhibit V-19: Trend in Erroneous Tentative Nonconfirmation Rate for Ever-Authorized Workers, for All Employers and Employers Transmitting in Each of the 6-Month Periods Examined
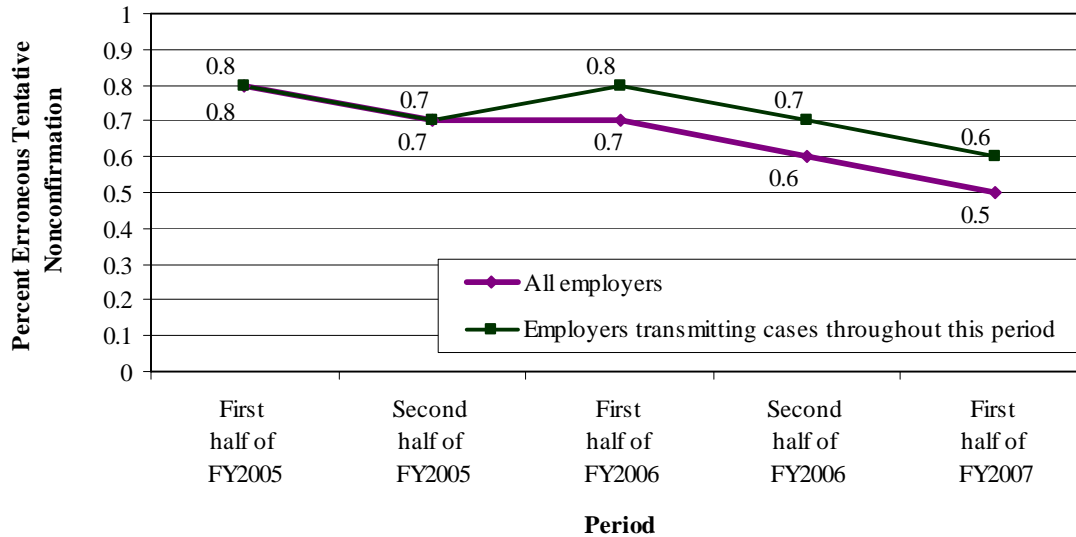
SOURCE: Total and Longitudinal Web Basic Pilot Transaction Databases: October 2004-March 2007

(c)   Implications of Trends in Employee Characteristics for Future Accuracy

i.   Introduction

The discussion in this section is based on both multivariate and univariate analyses. Like any projections, these are subject to considerable uncertainty. Assumptions used in estimating the standardized rates presented include that:

- The definitions of variables used for standardization are sufficiently similar between the Web Basic Pilot program and available Federal statistics to provide comparable information. This is especially problematic for citizenship, since the Federal survey used for estimating the characteristics of newly hired workers nationally does not provide data on citizenship status; the analysis, therefore, is based on data for the citizenship status of the labor force, which may differ from the citizenship status of newly hired workers.

- Workers verified are comparable to the Web Basic Pilot employers' newly hired workers in terms of industry, size, and geographical location; however, the fact that some employers are verifying job applicants and others may be selectively screening newly hired workers raises questions about comparability.

- Standardization of the erroneous tentative nonconfirmation rate is based on the distributions of all verifications and all newly hired workers, since

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there is no way to determine the national number of "ever-authorized" newly hired workers.

ii.   Findings

The data and analyses in Section D indicate that the current workers verified by the Web Basic Pilot program are, for the most part, more similar than earlier workers to the national population of newly hired employees in terms of their citizenship and the industry, size, and location of their employers. Furthermore, as seen in Exhibit V-20, the characteristics of verified workers are also related to the probability that they will be verified automatically and the probability that ever-authorized workers will receive tentative nonconfirmations. Using this information, it is possible to make some observations on the likely impact of workers verified by the Web Basic Pilot continuing to become increasingly like all newly hired workers – a result that would be very likely if the program were to become mandatory. For example, it appears currently that citizens are underrepresented in the Web Basic Pilot program compared to the nation. Since citizens are more likely than noncitizens to be authorized automatically and less likely to get an erroneous tentative nonconfirmation, it is reasonable to expect that a program that verifies all new hires nationally would have a higher percent verified automatically and a lower erroneous tentative nonconfirmation rate than is currently the case, if nothing else changes.

Exhibit V-21 presents the estimates of the automatically verified and erroneous tentative nonconfirmation rates if the distribution of verified workers were the same as those for newly hired workers nationally. It also presents estimates of the effect of standardizing simultaneously on all four of the variables examined (industry, employer size, geographic location, and citizenship).[16]

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[16] The combined effect is not necessarily the same as the total of the individual effects, since the combined effect takes into account associations between the predictor variables. For example, average employer size varies by industry.

Exhibit V-20: Percentage of Screened Workers Verified Automatically, Erroneous Tentative Nonconfirmations of Ever-Authorized Workers, and Difference in Representation of Web Basic and National Workers, by Characteristics of Workers: First Half of FY2007

Characteristic of Workers Verified	Percent Verified Automatically	Erroneous Tentative Nonconfirmation Rate	Web Basic Minus National Workers' Representation in Category*
Overall	**93.1**	**0.51**	**N/A**
Industry			
Mining, utilities, construction	93.3	0.71	-4.4
Animal food manufacturing	93.4	0.46	8.6
Other food/beverage/tobacco manufacturing	92.5	0.66	0.2
Other manufacturing	92.3	0.84	-0.6
Wholesale/retail trade	91.7	0.91	-11.8
Professional/scientific/technical/ education/arts/ entertainment	94.9	0.53	-16.4
Employment services	89.9	0.31	46.9
Public administration/social services	90.5	0.77	-17.2
Accommodation/food services	91.3	0.70	-0.8
Other industries	92.2	1.11	-4.6
Employer size			
< 100	89.3	0.31	-15.5
100-250	89.4	0.52	-7.2
251-500	89.3	0.73	1.0
501-1,000	93.1	0.58	2.4
≥ 1,000	92.8	0.66	19.3
Geographic location			
California	91.1	1.04	-1.9
Arizona/Texas	89.7	0.51	7.1
Northeast	92.0	0.54	-4.2
Northern/Western	90.2	0.33	-7.5
Midwest	95.7	0.39	4.5
Southern	89.6	0.40	2.7
Florida	92.2	0.71	-0.8
Citizenship status			
Citizen	96.3	1.33	-3.9
Noncitizen	71.0	0.51	3.9

* A positive value indicates that the group is over-represented in the Web Basic Pilot program compared to the nation and a negative value indicates it is under-represented.

SOURCE: Web Basic Pilot Transaction Database: October 2006-March 2007

Estimating the likely effect of changes in the industrial, geographic, or size distributions of verified workers toward the national average is harder than estimating the impact of citizenship status. For example, employment services are significantly overrepresented in the Web Basic Pilot. Since these establishments tend to have below-average verified automatically rates and above-average erroneous tentative nonconfirmation rates, it is reasonable to expect that a program that verifies all newly hired workers would have a higher percentage verified automatically and a lower erroneous tentative nonconfirmation rate, if the only change were in citizenship status. On the other hand, public administration and social services, which also have a below-average automatically verified rate and an above-average rate of erroneous tentative nonconfirmations for ever-authorized workers, are underrepresented. Only looking at this industrial group would lead to an opposite conclusion from looking at employment services. Because there is not a consistent pattern for the expected trends based on the different categories of industry, it is helpful to have a summary measure that takes into account all of the industry categories observed. Exhibit V-21, therefore, presents summary measures for the characteristics examined in this report.

Exhibit V-21: Estimated Percentage Verified Automatically and Erroneous Tentative Nonconfirmation Rates for Ever-Authorized Workers in the First Half of FY2007, Assuming That Workers Verified Resembled the National Distribution of All Newly Hired Workers on the Variable Specified

	Standardized Minus Observed Rate	
Variable Adjusted	**Percent Verified Automatically**	**Erroneous Tentative Nonconfirmation Rate**
Geographic location	0.11	0.03
Industry	0.36	0.18
Size	-0.73	-.03
Citizenship status	0.95	-.03
Geographic location, industry, size, and citizenship status	-0.03	0.12

NOTE: The industry adjustment excludes the agricultural and military sectors, which are not included in the data used for standardization.

SOURCE: Web Basic Pilot Transaction Database: October 2004-March 2007; Bureau of Labor Statistics, Job Openings and Labor Turnover Survey (JOLTS) (http://www.bls.gov/jlt/home.htm#data); and Udall Center for Studies in Public Policy, University of Arizona (udallcenter.arizona.edu)

If the Web Basic Pilot workers verified become more similar to newly hired workers nationally in terms of industry, employer size, geographic location, and citizenship, there is unlikely to be a significant change in the percentage verified automatically. It is seen in Exhibit V-21 that the net effect of standardizing on all four variables simultaneously leads to an expected decrease of 0.03 in the percentage verified automatically.[17] Given that a number of assumptions needed to be made to make this

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[17] See Appendix D for an explanation of how this standardization was done.

estimate, it is important not to overinterpret this result. However, it is clear that changes in these rates are affected by many factors, and USCIS and SSA should not assume that changing demographics of workers will continue to lead to large increases in the rate of cases verified automatically. Of course, programmatic changes will hopefully lead to further increases in this rate.

If the Web Basic Pilot workers verified become more similar to newly hired workers nationally in terms of industry, employer size, geographic location, and citizenship, the erroneous tentative nonconfirmation rate may increase slightly. It is seen in Exhibit V-21 that the net effect of standardizing on all four variables simultaneously leads to an expected increase of 0.12 in the erroneous tentative nonconfirmation rate. Although caution must be used to avoid overinterpreting this result, USCIS and SSA should recognize that small future increases in the erroneous tentative nonconfirmation rates may be due to changes in the demographics of workers verified rather than to ineffective program changes.

E.   CHANGES IN DISCRIMINATION

1.   INTRODUCTION

As discussed in Chapter IV, discrimination is closely tied to data accuracy because foreign-born workers tend to have a disproportionate number of erroneous tentative nonconfirmations, which may have adverse consequences for the workers receiving them. The preceding section focused on overall changes in the accuracy of Web Basic Pilot findings. This section examines over-time differences in this indicator by citizenship status and place of birth. It also compares long-term and recently enrolled users on variables closely associated with discrimination: willingness to hire foreign-born workers and compliance with Basic Pilot procedures designed to protect employee rights. This section focuses on changes in indicators of data accuracy, using the longitudinal transaction database restricted to employers that transmitted cases in each of the 6-month periods examined (to minimize the effect of changes in employer composition on the findings).

Discrimination is also closely tied to employer compliance with the verification procedures designed to protect the rights of workers. Compliance is discussed in Section G.

2.   FINDINGS

The erroneous tentative nonconfirmation rate for workers attesting to having temporary authorization to work was considerably higher than the rate for either lawful permanent residents or U.S. citizens. In the first half of FY2007, the erroneous tentative nonconfirmation rate for newly hired workers attesting on their Form I-9 to being aliens authorized to work was 2.8, compared to 0.8 for lawful permanent residents and 0.5 for U.S. citizens (Exhibit V-22). Similar differences were found throughout the time periods examined.

Exhibit V-22: Frequency Distributions of Long-Term and Recently Enrolled Users on Satisfaction Scale
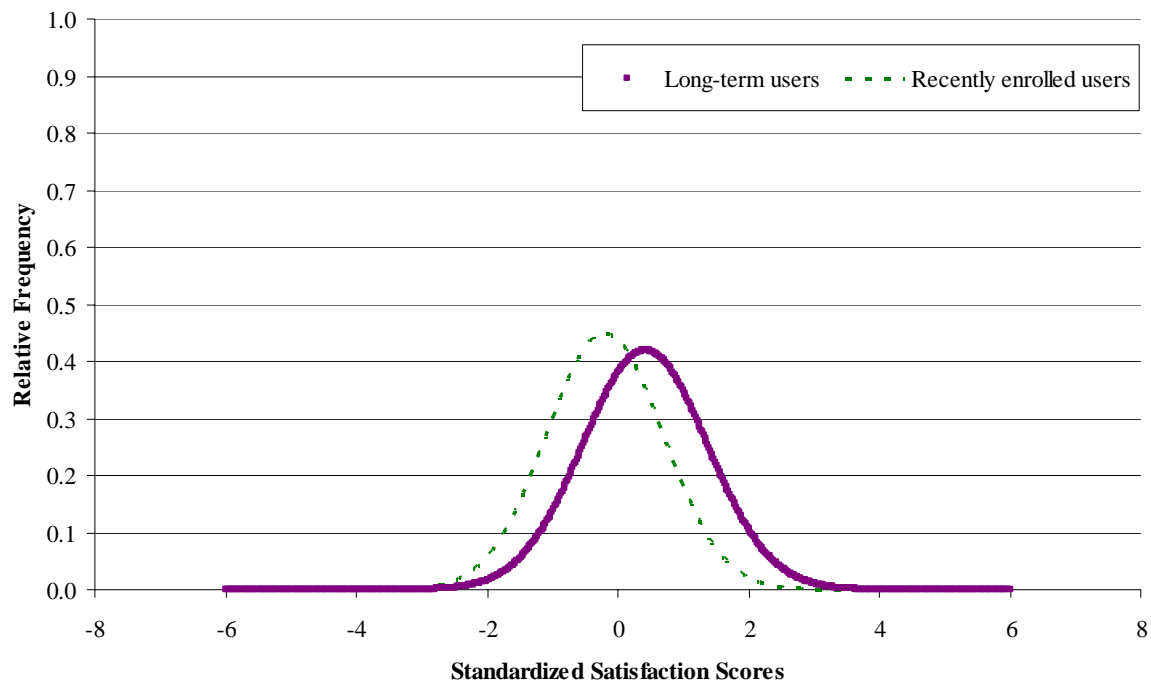
SOURCE: Web Basic Pilot Employer Surveys of Long-Term and Recently Enrolled Users

NOTE: Scores were standardized to a mean of 0 and a standard deviation of 1 based on the distribution for recently enrolled users.

The erroneous tentative nonconfirmation rate for ever-authorized workers attesting to being lawful permanent residents on their Form I-9s was greater in the first half of FY2007 than in the first half of FY2005, because of the October 21, 2005, procedural change. In the first half of FY2005, the erroneous tentative nonconfirmation rate for lawful permanent residents who were eventually found to be work-authorized was 0.6 percent, compared to 0.8 percent in the first half of FY2007. The corresponding error rates for immediately before and immediately after the October 21, 2005, change were 0.5 percent and 0.9 percent, respectively.

Although the erroneous tentative nonconfirmation rate for ever-authorized workers attesting to being "aliens authorized to work" on their Form I-9s was lower in the first half of FY2007 than in the first half of FY2005, the October 21, 2005, change had a large immediate impact on these workers. The error rate for aliens authorized to work was 2.8 percent in FY2007 compared to 3.7 percent in FY2005, despite the large increase in error rate after implementation of the October 21, 2005, change (from 3.5 to 7.1).

The October 21, 2005, processing change did not affect the erroneous tentative nonconfirmation rate for U.S. citizens. Since the procedural change made on October 21, 2005, applied solely to noncitizens, the erroneous tentative nonconfirmation rate for

citizens should not have been affected. As expected, the erroneous tentative nonconfirmation rate for citizens declined at a steady pace throughout the period examined (from 0.7 percent to 0.5 percent).

Recently enrolled users were somewhat less likely than long-term users to report that the program made them more willing to hire immigrants. Nineteen percent of long-term users reported that the program made them more willing to hire immigrants, compared to 12 percent of recently enrolled users. Only 4 percent of long-term users and 5 percent of recently enrolled users reported decreased willingness to hire immigrants.

F.   CHANGES IN EMPLOYER SATISFACTION AND BURDEN

1.   INTRODUCTION

As discussed in Chapter IV, employers found the Web Basic Pilot program less burdensome and more satisfactory than the original Basic Pilot program. This section examines how employers' views of the program have changed since the inception of the Web Basic Pilot program. These analyses are based on comparisons of long-term users and more recently enrolled users. Many of the analyses presented here use an overall satisfaction scale developed for the evaluation, based on employer responses to questions on the employer surveys.[18]

2.   FINDINGS

Recently enrolled Web Basic Pilot users were less satisfied with the system than were long-term users. Exhibit V-22 shows the distribution on the satisfaction scale for long-term and recently enrolled users. The effect size for the difference is 0.67 on a scale of 0.0 to 1.0, which is typically defined as a medium effect. Exhibit V-23 compares long-term and recently enrolled users on some of the individual items that constitute the satisfaction scale.

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[18] See Appendix D for additional information on the scales.

Exhibit V-23: Responses of Long-Term and Recently Enrolled Users to Questions Related to Satisfaction with the Web Basic Pilot

Opinion and Type of Employer	Strongly Disagree (%)	Disagree (%)	Agree (%)	Strongly Agree (%)
The tasks required by the verification system overburden the staff*				
Long-term users	39.0	56.8	2.6	1.7
Recently enrolled users	20.0	68.8	9.8	1.5
It is impossible to fulfill all the employer obligations required by the Web Basic Pilot verification process*				
Long-term users	39.9	55.3	3.0	1.8
Recently enrolled users	20.9	72.0	5.2	2.0
Overall, the Web Basic Pilot is an effective tool for employment verification*				
Long-term users	6.5	2.9	28.6	62.0
Recently enrolled users	5.9	2.8	56.2	35.1
It reduces the chances of getting a mismatched SSA earnings letter*				
Long-term users	6.6	5.8	34.6	53.0
Recently enrolled users	5.5	2.6	53.1	33.2
The online registration process was easy to complete*				
Long-term users	0.1	1.3	59.3	39.3
Recently enrolled users	0.8	6.3	62.8	30.1
The online tutorial was hard to use*				
Long-term users	21.2	75.9	2.6	0.2
Recently enrolled users	16.5	77.2	5.6	0.8
It is easy for system users to obtain a lost or forgotten password from the system helpdesk				
Long-term users	4.5	14.4	63.6	17.5
Recently enrolled users	2.1	14.5	71.2	12.1

*Statistically significant at 0.05 level.

SOURCE: Web Basic Pilot Employer Surveys of Long-Term and Recently Enrolled Users

It is not clear if the differences between the satisfaction levels of long-term and recently enrolled users are due to differences in the types of employers in the two groups. As discussed in Chapter III, larger employers were more likely than smaller employers to have a high satisfaction level. Furthermore, as shown in Section C, the percentage of large employers among Web Basic Pilot users has decreased over time. Similarly, employers with high percentages of immigrant employees are more likely to be satisfied with the program and are more likely to be long-term users. Comparing the satisfaction level of employers with the same characteristics (size, percentage of immigrant employees, industry, and geographic location), most (18 of 24) of the comparisons indicated that long-term users are more satisfied (Exhibit V-24). The two statistically significant comparisons of employers with these same characteristics also suggested that long-term users are more satisfied. A multivariate analysis was conducted to determine whether the combination of employer characteristics that differed between the two groups of employers could explain the observed lower level of satisfaction for the more recently enrolled users.[19] With these controls, the effect of whether the employer was a recently enrolled user was close to being statistically significant (0.08).

Exhibit V-24: Comparison of Mean Satisfaction Score for Long-Term and Recently Enrolled Users, by Employer Characteristics

Employer Characteristic	Long-Term Users		Recently Enrolled Users	
	Number	**Mean**	**Number**	**Mean**
Industry*				
Agriculture, forestry, fishing, hunting	41	476.6	8	420.2
Mining, utilities, construction**	49	540.1	46	490.4
Animal food manufacturing	188	495.9	4	490.1
Other food/beverage/tobacco manufacturing	69	486.0	5	462.0
Other manufacturing	138	492.7	31	485.5
Wholesale/retail trade	43	507.1	15	476.6
Professional/scientific/technical/education/arts	50	509.5	104	527.4
Employment services	106	517.1	32	483.4
Public administration/social services	114	496.7	137	474.7
Accommodation/food services	192	502.6	20	516.3
Other industries	39	483.8	18	485.7
Employer size*				
< 100	182	497.0	140	487.0
100-500	444	492.7	165	485.0
> 500	403	510.0	115	510.5

Exhibit V-24 continued on next page.

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[19] See Appendix D for additional information on the multivariate analyses.

Exhibit V-24: Comparison of Mean Satisfaction Score for Long-Term and Recently Enrolled Users, by Employer Characteristics (continued)

Employer Characteristic	Long-Term Users		Recently Enrolled Users	
	Number	**Mean**	**Number**	**Mean**
Geographic location				
California**	159	500.4	19	454.3
Arizona/Texas	144	501.7	26	501.7
Northeast	125	490.4	153	496.5
Northern/Western	207	497.6	53	473.4
Midwest	186	502.6	134	498.5
Southern	142	501.6	24	499.2
Florida	66	514.5	11	497.9
Percent of immigrant employees*				
< 5%	189	497.1	226	488.4
6-40%	480	497.3	122	498.4
≥ 41%	339	503.7	57	484.7

*The difference in the distributions of long-term and recently enrolled users' satisfaction scores is statistically significant at the 0.05 level.

**The difference in the satisfaction level of long-term and recently enrolled users is statistically significant at the 0.05 level.

NOTE: Satisfaction was measured using an item response theory scale score standardized to a mean of 500 and a standard deviation of 100.

SOURCE: Web Basic Pilot Employer Surveys of Long-Term and Recently Enrolled Users

As the program expands, employer satisfaction may go down as the composition of employers using the Web Basic Pilot system more closely approximates the characteristics of all employers in the nation. A multivariate analysis predicting satisfaction from known information about employers indicated that employers in mining, utilities, or construction were significantly more likely than other employers to be satisfied with the program and that large employers were significantly more likely to be satisfied than were small employers. None of the other variables examined had a statistically significant relationship with the satisfaction score. Since employers engaged in mining, utilities, and construction and large employers are both overrepresented in the Web Basic Pilot program, it is reasonable to expect that, barring other changes, program expansion will result in decreased employer satisfaction.

G. CHANGES IN EMPLOYER COMPLIANCE

1. INTRODUCTION

As indicated in Chapters III and IV, the Web Basic Pilot changes appear to have increased employer compliance with program procedures compared to the original Basic

Pilot program. However, the rate of employer noncompliance is still higher than desirable, which decreases the ability of the program to deter unauthorized employment and diminishes the effectiveness of safeguards designed to protect the rights of work-authorized workers who obtain erroneous tentative nonconfirmations. In this section, employer compliance is examined to determine whether there are some systematic differences between long-term and recently enrolled users. In examining these comparisons, it is important to note that recently enrolled users were much less likely than long-term users to answer questions about how they handled tentative nonconfirmations, probably because of the shorter time between when they joined the program and when they completed the survey. To the extent that nonresponding employers are more or less likely to comply with the program, the results may not be fully representative of all recently enrolled users.

2.   FINDINGS

While most recently enrolled users reported that they were following the Web Basic Pilot procedures, they were less likely than long-term users to comply with these procedures. Exhibit V-25 shows the normal distribution for the compliance scale of long-term and recently enrolled Web Basic Pilot users. It indicates that recently enrolled users were significantly less likely than long-term users to comply with the requirements. However, the effect size estimate of 0.3 (on a scale ranging from 0 to 1) is usually defined as being small. Exhibit V-26 compares the two groups of employers on some of the individual variables comprising the scale.

Exhibit V-25: Frequency Distributions of Long-Term and Recently Enrolled Users' Scores for Compliance with the Web Basic Pilot Procedures
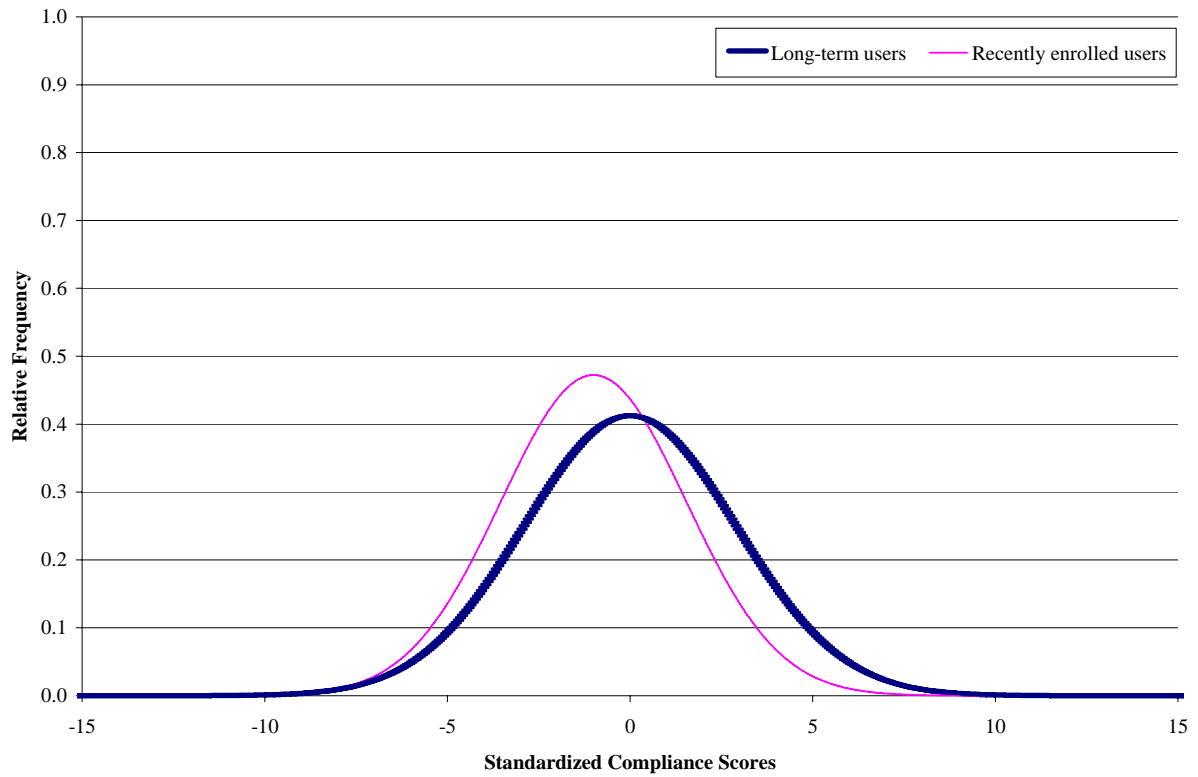
NOTE: Scores were standardized to a mean of 0 and a standard deviation of 1 based on the distribution for recently enrolled users.

SOURCE: Web Basic Pilot Employer Surveys of Long-Term and Recently Enrolled Users

Exhibit V-26: Percentage of Long-Term and Recently Enrolled Web Basic Pilot Users Indicating That They Were Not Following Specific Procedures

Question	Long-Term Users		Recently Enrolled Users	
	Number	Percent	Number	Percent
Number of employees hired so great, can't make deadline* (percent saying yes)	1,030	15.9	416	22.4
Software so cumbersome, can't make deadline (percent saying yes)	1,029	2.6	414	2.7
Contesting not encouraged (percent agreeing or strongly agreeing)	926	4.6	283	6.7
Work assignment restricted (percent agreeing or strongly agreeing)	888	21.6	297	19.6
Pay is reduced until employment authorization is confirmed*	850	2.4	289	4.8
Training is delayed until after employment authorization is confirmed*	874	16.2	288	14.6
Employee informed privately (percent saying never, sometimes, or often)	969	5.7	283	8.5
Written notification given (percent saying never, sometimes, or often)	953	9.4	192	12.7
Verifies job applicants* (percent saying yes)	1,030	15.6	420	20.5
Verifies employees who worked prior to the institution of Web Basic Pilot	1,030	4.8	420	3.6

*Statistically significant at 0.05 level.

SOURCE: Web Basic Pilot Employer Surveys of Long-Term and Recently Enrolled Users

The difference in compliance between the long-term and recently enrolled users may be explained, at least in part, by differences in employer characteristics. To determine whether employer characteristics can explain the observed difference in employer compliance, the evaluation team examined the differences in compliance between long-term and recently enrolled users with specific employer characteristics (Exhibit V-27). The findings should be interpreted with caution because of the small sample size in many of the employer categories. As the table indicates, almost all of the mean compliance scores are lower for recently enrolled users than for long-term users with similar characteristics. Furthermore, recently enrolled users in public administration/social services and accommodation/food services have significantly lower compliance levels than the long-term users in the same industries.

Exhibit V-27: Comparison of Mean Compliance Score for Long-Term and Recently Enrolled Web Basic Pilot Users, Overall and by Employer Characteristics

Employer Characteristic	Long-Term Users		Recently Enrolled Users	
	Number	Mean	Number	Mean
Overall*	**754**	**19.2**	**233**	**18.2**
Industry*				
Agriculture, forestry, fishing, hunting	31	19.8	2	19.3
Mining, utilities, construction	42	18.3	25	18.5
Animal food manufacturing	144	20.0	3	20.0
Other food/beverage/tobacco manufacturing	53	19.4	2	22.0
Other manufacturing	100	19.2	17	18.3
Wholesale/retail trade	30	17.9	6	17.3
Professional/scientific/technical/education/ arts/entertainment	33	19.5	55	18.7
Employment services	79	18.3	21	17.9
Public administration/social services**	75	19.5	88	18.1
Accommodation/food services**	149	19.4	11	17.4
Other industries	29	17.5	11	18.7
Employer size*				
< 100	124	18.7	73	18.2
100-500**	331	19.2	96	17.9
> 500	310	19.4	72	18.9
Geographic location				
California	125	19.0	16	17.9
Arizona/Texas	110	19.3	15	17.9
Northeast	91	19.5	84	18.7
Northern/Western	154	19.2	39	18.2
Midwest	133	19.0	61	18.2
Southern	102	19.4	18	17.9
Florida	50	19.1	8	17.1
Percent of immigrant employees*				
< 5%	114	18.9	102	18.3
6-40%**	372	19.3	87	18.3
≥ 41%**	268	19.2	44	17.9

*The distribution of compliance scores based on the indicated employer characteristic between long-term and recently enrolled users is statistically significant at the 0.05 level.

**The compliance level of long-term and recently enrolled users within the indicated group is statistically significant at the 0.05 level.

Compliance was measured using a factor score standardized to a mean of 19.0and a standard deviation of 2.84.

SOURCE: Web Basic Pilot Employer Surveys of Long-Term and Recently Enrolled Users

As the program expands, employer compliance may go down as the composition of employers using the Web Basic Pilot system more closely approximates the characteristics of all employers in the nation. A multivariate analysis predicting compliance from known information about employers indicated that employers in mining, utilities, and construction; wholesale and retail trade; and employment services were significantly less likely than other employers to comply with the program requirements. On the other hand, employers in animal food manufacturing are relatively more likely to comply. None of the other variables examined had a statistically significant relationship with the compliance score. Although the expected decrease in the proportion of verifications from employment agencies is likely to increase compliance, the other trends lead to an expected decrease in compliance. The regression analysis indicates that the overall impact of the expected changes, adjusting for differences between the distribution of Web Basic Pilot users and the national distribution of employers on industry, would be a decrease in compliance from a mean on the compliance scale of 19.2 to 18.9.

H.   SUMMARY

The following conclusions are based on the analyses in this chapter.

- The Web Basic Pilot has grown dramatically since its inception, thereby increasing its ability to deter unauthorized employment. However, no more than 4 percent of all newly hired workers were verified through the Web Basic Pilot in the first half of FY2007.

- The composition of the employer population and of the employees verified has, in general, been becoming increasingly more similar to the national populations of employers and newly hired workers. However, significant differences remain. For example, the percentage of small employers using the Web Basic Pilot has increased over time but still remains well below the national percentage. Similarly, the proportion of foreign-born workers verified was lower in the first half of FY2007 than in earlier periods but remained above the national rate.

  One important exception to the generalization that employers and the workers they verify are becoming more similar to those in the nation is that the number of employees verified by employment services is increasing. In the first half of FY2007, employment services were responsible for 50 percent of all verifications in the Web Basic Pilot but only approximately 3 percent of all newly hired workers nationally. The high level of verifications by employment services may reflect the USCIS decision that temporary help agencies may define "hire" as the day an employee accepts a job offer rather than using the first day of work definition provided on the Form I-9.

- The October 21, 2005, procedural change requiring that all noncitizen cases matched at SSA be sent to USCIS for further checking appears to have resulted in the identification of more persons without work authorization than was true under the prior procedures, in which SSA issued a work-authorization finding when its

records indicated that a noncitizen had permanent work authorization. At the same time, this procedural change led to an increase in the erroneous tentative nonconfirmation rates for noncitizen cases without affecting the rate for citizens. The changed procedures also resulted in increased workloads for USCIS but had no impact on SSA's workload.

- The overall percentage of cases authorized automatically has increased over time; however, it is likely that much of the increase is due to changes in the types of cases being verified.

- There are significant differences in the rates at which noncitizens and citizens are automatically found to be work-authorized. On average, 96 percent of workers attesting to being U.S. citizens were found to be work-authorized automatically, compared to 72 percent of cases in which the employee attested to being a lawful permanent resident and 63 percent of cases in which the employee attested to being an alien authorized to work.

- The overall erroneous tentative nonconfirmation rate for ever-authorized workers has declined over time. However, large differences in the error rates for U.S.-born and foreign-born workers remain. Furthermore, foreign-born citizens are more likely than noncitizens to have erroneous tentative nonconfirmations.

- If the distribution of workers being verified in the first half of FY2007 had more closely represented the national distribution of newly hired workers in terms of geographic location, industry, size, and percentage of employees attesting to being noncitizens, it is likely that the percentage of workers automatically found to be work-authorized would have been slightly lower and the erroneous tentative nonconfirmation rate would have been higher. Thus, the past trends in the accuracy of Web Basic Pilot verifications attributable to the changing composition of workers being verified may not continue in the future. A major reason behind this trend reversal is the disproportionately high percentage of verifications by employment services, which tend to have above-average automatic authorization rates and below-average erroneous tentative nonconfirmation rates.

- Employer satisfaction and compliance levels were both lower among recently enrolled users than among long-term users. It appears that at least part of these differences may be attributed to the changing characteristics of employers signing up for the program. Furthermore, the analyses in this report suggest that, as the program expands, employer satisfaction and compliance may decrease as the composition of employers using the Web Basic Pilot system more closely approximates the characteristics of all employers in the nation.

CHAPTER VI. RECOMMENDATIONS FOR IMPROVING THE WEB BASIC PILOT PROGRAM

This chapter presents recommended changes to the Web Basic Pilot program based on the evaluation.[1] Some of these recommendations were presented in the Interim Report for this evaluation and are in the process of being implemented. These recent changes are noted but cannot be fully discussed in this report. These recommendations are grouped into the following broad categories: those needed to address the high erroneous tentative nonconfirmation rate for naturalized citizens, those related to reducing identity fraud, other changes to the Web Basic Pilot program, and evaluation research.

A.   ADDRESS HIGH ERRONEOUS TENTATIVE NONCONFIRMATION RATE FOR NATURALIZED CITIZENS

The Social Security Administration (SSA) and the U.S. Citizenship and Immigration Services (USCIS) need to address the high erroneous tentative nonconfirmation rate for foreign-born U.S. citizens. Although minimizing the erroneous tentative nonconfirmation rate for all work-authorized workers is an important goal for creating a viable version of a considerably expanded Web Basic Pilot, the rate for foreign-born citizens is so much higher than for other work-authorized employees that this group should receive priority. Reducing the high tentative nonconfirmation rate for naturalized and derivative[2] citizens will not be easy or fast, since neither SSA nor USCIS consistently has the information needed to verify the work-authorization status of these citizens. Furthermore, not all USCIS information can be extracted from its databases based on Social Security numbers (SSNs), the only identifier on the Form I-9 for persons claiming to be U.S. citizens. The recently initiated USCIS Transformation Project, the Digitization Project in particular, may, over time, assist in filling in some of the gaps in USCIS electronic records. Under this project, paper files are being scanned and digitized so that information in these older records will be available electronically. The following recommendations should be explored:

- USCIS and SSA should arrange for a one-time electronic transmittal of information for all persons having information in USCIS databases indicating that they are naturalized citizens. This information should not be restricted to individuals for whom USCIS has SSNs, since SSA is often able to uniquely identify persons on its database from other information (i.e., name, date of birth, and country of birth).

- USCIS should ensure that applicants for U.S. citizenship include their SSN on the application form. In the future, USCIS should electronically send the SSN, name,

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[1] For a report summary, please see the Executive Summary.

[2] Derivative citizenship refers to citizenship accorded to children under age 18 who derive U.S. citizenship at the time their parents are naturalized.

date of birth, and new citizenship status to SSA at the time that U.S. citizenship is acquired.

- USCIS should develop a way of capturing information (including SSN) about children under age 18 who derive U.S. citizenship at the time their parents are naturalized, so that their USCIS records regarding citizenship status are accurate, regardless of whether the parents apply for Certificates of Citizenship for them. This information should routinely be transmitted to SSA.

- USCIS should work with the U.S. Department of State's Passport Agency to develop a mechanism to electronically capture information, including SSN, on persons who are first documenting their derived U.S. citizenship status by requesting and being issued a U.S. passport. The information captured should be sufficient to positively match individuals to USCIS records and should be used to update the citizenship status of persons on USCIS data records. This information should also be communicated to SSA, so that its records can be updated. Again, to the extent possible, a one-time data merge should be performed and a mechanism established for routine transmittal of information in the future.

- USCIS should update its electronic records to reflect U.S. citizenship status by inputting pre-1996 naturalization and citizenship information, as well as SSNs available in retired paper files. This is being taken care of, in part, through the previously mentioned digitization. This information should also be shared with SSA.

- USCIS and SSA should consider giving employees who attest to U.S. citizenship on the Form I-9 and who receive a tentative nonconfirmation finding of "Unable to confirm U.S. Citizenship" an option of providing their former A-numbers to their employers to expedite verification of their work-authorization status.[3] The Notice of Tentative Nonconfirmation could be used for this purpose, so that employees would have three choices (to not contest, to contest immediately, or to ask USCIS to check its database based on an indicated A-number). If the last option was selected, USCIS would then either tell the employer that the employee is work-authorized or direct the employer to issue a referral letter for the employee to visit an SSA field office.[4]

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[3] USCIS is exploring this recommendation; it also plans to provide an option for naturalized citizens to call USCIS to resolve their tentative nonconfirmations.

[4] This scenario assumes the adoption of the recommendation, discussed in Section C, on inputting information on the employee's decision about contesting.

- SSA should conduct outreach activities to encourage naturalized citizens, and persons with derived citizenship, to update their SSA records accordingly.[5]

Many of these recommendations are currently being explored and/or are in the process of being implemented.

B. CONTINUE EXPLORATION OF WAYS TO DECREASE IDENTITY FRAUD

The Web Basic Pilot system design addresses only the use of fraudulent documents that contain information about fictitious persons. Its design does not permit detection of identity fraud (i.e., the use of fraudulent or real documents with information about real persons). This limits the effectiveness of the Web Basic Pilot program in reducing the employment of persons who are not work-authorized. Furthermore, as the program expands, it is reasonable to expect that a growing awareness of how the program operates will lead to an increase in the incidence of identity fraud to obtain employment, unless actions are taken to prevent it.

There should be continued exploration of how photographs, fingerprints, or other biometric checks can be incorporated into the Web Basic Pilot system for all newly hired workers while protecting employees against discrimination and ensuring privacy. The current small-scale Photo Screening Tool pilot program, initiated with approximately 50 employers in March 2007, includes only photographs for individuals with certain USCIS-issued documents. This approach is, on the face of it, discriminatory, since only noncitizens have such documents. Furthermore, as the program becomes better known in the immigrant community, more unauthorized workers may turn to using fraudulent citizenship documents instead of fraudulent noncitizen documents, to avoid having their photographs on fraudulent documents subject to such scrutiny, and thereby reduce the potential usefulness of photographs to detect unauthorized employment. USCIS is currently pursuing ways to expand the document photographs available by incorporating U.S. passports and State driver's licenses and non-driver identification cards into the system, so that the Photo Screening Tool will be able to return information for citizens as well as noncitizens.

C. IMPLEMENT OTHER WEB BASIC PILOT CHANGES

This section presents a number of recommendations for modifications to the Web Basic Pilot program. These are divided into legislative changes, system changes, procedural changes, and changes in materials.

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[5] In addition to publicity campaigns, other outreach efforts may be warranted, especially if electronic updating systems cannot be put in place promptly. For example, in some areas SSA staff attend naturalization ceremonies to encourage and assist new citizens in updating their citizenship status in SSA records at that time – a practice that could be broadened. In locations where SSA staff cannot attend naturalization ceremonies, SSA could provide a handout for USCIS to distribute, instructing new citizens on how to correct their SSA records.

1.   LEGISLATIVE CHANGES

Consideration should be given to requesting legislative changes to the following Basic Pilot procedures that potentially have both *positive and negative* consequences:

- **Extending the timeframe for entering information for new employees** to 5 days after hire, to accommodate the needs of large employers and employers where verification for several sites is centralized;

- **Modifying procedures related to prescreening by** implementing one of the following options to decrease employer burden and unauthorized employment:

  - **Allowing prescreening;**

  - **Defining "hire" to mean job offer (or job offer and acceptance) and allowing employers to delay the start of work until after verification is completed; or**

  - **Requiring employers to delay the start of work until after verification is completed.**

  USCIS is considering modifying the definition of "hire" from being the time when the employee starts work to being the time that an employee is offered a job and accepts it. The evaluation team believes that this issue is sufficiently important that it should be examined carefully in terms of its implications for employer burden, employee rights, and discrimination and then be decided after full deliberation. Once determined, the decision needs to be well publicized so employers and employees are well aware of the definition.

- **Altering the Web Basic Pilot program to expedite the tentative nonconfirmation process when it is highly likely that the SSN or A-number is fraudulent** would decrease the amount of time such employees are employed while at least theoretically resolving the tentative nonconfirmation.[6]

- **Permitting employers to use the Web Basic Pilot when they conduct the Form I-9 re-verification required for noncitizens who presented immigration documents with expiration dates on their original Form I-9.** If this is permitted, it would be reasonable to use the same procedures for providing and resolving tentative nonconfirmation cases as are currently used for new employees.

2.   SYSTEM CHANGES

The following recommendations focus on changes to the Web Basic Pilot system and the databases it uses.

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[6] This recommendation assumes that the law related to prescreening has not been modified.

a. *AUTOMATE SSA'S PROCESS FOR HANDLING TENTATIVE NONCONFIRMATIONS*

SSA should continue to work on implementing its Employment Verification SSA TNC Automated Response Process (EV-STAR), which automates the process of contesting SSA tentative nonconfirmations. Automating the SSA secondary verification process would tighten SSA procedures and make SSA more accountable for providing results for cases it resolves. It would also decrease the burden on SSA, employers, and employees; reduce the incidence of erroneous tentative nonconfirmations resulting from case resubmission; and make the transaction database more accurate. Until this change has been made, the transaction database should be monitored to check whether employers are incorrectly resubmitting as new cases tentative nonconfirmation cases resolved by SSA.[7]

b. *FURTHER AUTOMATE THE USCIS VERIFICATION PROCESS*

USCIS should continue work on automating its secondary verification process to reduce the amount of work necessary at the secondary stage. Improvements should minimize the need for Immigration Status Verifiers (ISVs) to manually check databases other than the Verification Information System to determine if the person being verified can be found to be work-authorized without issuing a tentative nonconfirmation. The ultimate goal should be to have a sufficiently accurate automated system that manual checking at the secondary stage can be eliminated. Additionally, USCIS should use the percentage of cases found to be work-authorized at the second stage as an indicator of whether this stage is necessary to avoid unduly high erroneous tentative nonconfirmation rates for noncitizens. In the first half of fiscal year 2007, 11 percent of cases (13,300 cases) found to be work-authorized without a tentative nonconfirmation were identified at the second stage; this rate is sufficiently high to justify continuation of secondary verifications at this time. If the second stage had not existed, the number of tentative nonconfirmations issued would have been 21,200 (17 percent of cases referred to USCIS) instead of 7,900 (7 percent of cases referred to USCIS) in the third stage.

The software used to generate case lists for ISVs should be modified to include checks for duplicate cases, to the extent feasible. As the evaluation team understands current procedures, all cases receiving USCIS tentative nonconfirmations are sent to ISVs for manual checking. Cases sent to ISVs include those that the employer subsequently closed as Invalid Queries and cases duplicated because the employer inadvertently sent the same case more than once. The evaluation team believes that it should be possible to check electronically for duplicate cases submitted close together in time before assigning cases to ISVs; this change will not, of course, eliminate all duplicate cases from having to be checked twice, since it would not be advisable to create significant delays in order to perform this checking. This recommendation will become increasingly important as the program expands, since the probability of cases being recognized as duplicates will presumably decrease as the number of ISVs expands and the probability of an ISV getting the same duplicated case diminishes.

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[7] EV-STAR is scheduled to go on-line by October 1, 2007.

c. *MODIFY THE SYSTEM TO CAPTURE ADDITIONAL INFORMATION*

The Basic Pilot system should be modified to capture important additional information in the transaction database.

- **The Web Basic Pilot should be modified to permit entry of information about case resolution that becomes available after issuance of a final nonconfirmation.** Although there is currently no formal process for reopening cases that have become final nonconfirmations,[8] an informal process has developed where a USCIS employee calls to tell the employer that the discrepancy has been resolved and that the employee is work-authorized. However, there is currently no way to update the database to indicate that the outcome has been changed, resulting in discrepancies that could create problems for work-authorized employees or their employers if monitoring or enforcement actions indicate that employment should have been terminated. If a field is added to the system for this purpose, it would, of course, also make sense to provide the employer with an automated notification of the changed finding.

- **More information related to case referral should be collected to inform future evaluations and monitoring efforts.** Employers currently provide some information about the final disposition of tentative nonconfirmations by inputting referral dates (if the case is referred) and case closure codes. However, the case closure codes are unclear and are not sufficiently comprehensive to describe adequately what happened after the tentative nonconfirmation was issued, especially if the case was not contested. This information would be useful for monitoring and evaluation purposes and may help remind employers of what should be happening after a tentative nonconfirmation is received. As a starting point in addressing this problem, the evaluation team suggests that the employer be required to provide information on the immediate outcome of the case (a referral code) that would include categories such as the following:

  - The employee quit before the tentative nonconfirmation finding was issued;

  - The employee was fired before the tentative nonconfirmation was issued;

  - The employee was notified of the tentative nonconfirmation and quit without saying whether he or she wished to contest;

  - The employee was notified of the tentative nonconfirmation and said that he or she *did not* want to contest;

  - The employee was notified of the tentative nonconfirmation and said that he or she *did* want to contest; and

  - Other (explain).

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[8] USCIS is currently considering implementing a process to accommodate more formal requests for reconsideration of final nonconfirmation findings.

If the employer says that the employee wishes to contest, the system will request a referral date. As recommended above for cases initially closed, the employer should be provided with appropriate closure code options for each case depending upon the system finding. These changes should be subject to usability testing before implementation, including obtaining input on the comprehensiveness of codes as well as their clarity.

d.   MODIFY THE USCIS MATCHING ROUTINE

USCIS should modify the algorithm used in matching to be consistent with SSA's criteria. Noncitizen cases are subject to more stringent matching criteria than citizen cases because they must match both SSA and USCIS databases before a determination of work authorization can be made. Given that the two databases use different numerical identifiers (the SSN versus the A-number), there is currently no easy way to eliminate this "double jeopardy" situation. However, the USCIS matching routine involving name and date of birth could be modified to make it more consistent with the SSA matching routine. Modifying the date of birth criteria should be fairly easy; although more difficult, modifying the name criteria should also be feasible. The evaluation team's recommendation that the change be made by USCIS rather than SSA is based on the assumption that SSA's routines have been better tested than USCIS's routines because of SSA's more extensive experience with matching routines.

USCIS should work toward a system that permits it to identify cases by SSN as well as A-number. To create a system that permits USCIS to identify noncitizens by SSN, USCIS staff should collect and enter SSNs whenever they have contact with a noncitizen. To the extent that SSA can accurately identify SSNs on the basis of name and birthdate, SSA should provide SSN information to USCIS for noncitizen cases currently without associated SSNs in USCIS files. Although it is likely to take a long time to construct a data file with SSNs for all noncitizens, such a data file would significantly reduce the probability that work-authorized noncitizens would receive erroneous tentative nonconfirmations attributable to the incorrect entry of A-numbers and thus decrease the impact of "double jeopardy" experienced by noncitizens compared to citizens.[9]

e.   MODIFY CLEANING ROUTINES

Data quality in the Web Basic Pilot would be improved if procedures were developed for the routine automated cleaning of the transaction database to obtain more meaningful reports for management information purposes. For example, cases that employers close as employer data entry errors should not be categorized as final

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[9] The Federal government is now trying to reduce the use of SSNs as identifiers; however, it is not clear to the evaluation team what alternative number could be used to link SSA and USCIS information.

nonconfirmation cases, which is what currently occurs, thereby overstating significantly the number of final nonconfirmation cases occurring.[10]

3. PROCEDURAL CHANGES

This section focuses on changes to Web Basic Pilot procedures that do not require legislative or system changes.

a. CONSIDER REVISING SSA'S HANDLING OF TENTATIVE NONCONFIRMATION FINDINGS

SSA should consider ways to reduce the employee burden associated with the requirement for in-person contact to resolve tentative nonconfirmations. Currently, employees receiving SSA tentative nonconfirmations are required to visit an SSA office to resolve the tentative nonconfirmation. This can be a burden on employees, especially when the SSA office is located at a considerable distance. Possible changes to this procedure include the following:

- Employees should be allowed to use fax and telephone for resolving tentative nonconfirmations, to the extent possible. Although the evaluation team recognizes that SSA often needs to scrutinize documents to determine their authenticity, there are some situations in which this may not be necessary. For example, cases involving employer input errors might be resolved without seeing the original documents; in this situation, the employee might be asked to have the employer amend the input and resubmit the case. Also, initial contact by telephone may help ensure that the employee does not have to travel to SSA a second time to bring additional documents.

- It may be helpful for SSA field office staff to travel to some remote locations to handle tentative nonconfirmations, perhaps on a weekly basis.

b. ESTABLISH NOTIFICATION GUIDELINES

USCIS should continue working on the development and implementation of guidelines that provide specific timeframes for notifying employees of tentative nonconfirmations and for terminating employees who receive final nonconfirmations or unauthorized findings. Without specific timeframes for notifying employees of tentative nonconfirmation findings and terminating employees with final nonconfirmations, employers may allow the verification process to become protracted.

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[10] Although these cases should not normally be included in management reports designed to measure system efficiency, they should be retained and used for two purposes. First, this information could be of use in monitoring employers (e.g., high rates of cases closed in error might indicate that employers are "fishing" for ways to verify employees or are inadequately checking cases before submitting them to the Web Basic Pilot). Second, some workload reports should reflect the number of transmissions rather than the actual number of cases; these include reports used for estimating system costs (which are based on transmissions) and also USCIS workload reports, since the error may not be identified in time to avert the ISVs' work on cases needing secondary verification.

As a result, unauthorized workers are allowed to work for extended periods, thereby reducing the effectiveness of the program.

C.   *CONTINUE IMPLEMENTATION OF PLANS FOR A STRONG MONITORING AND COMPLIANCE PROGRAM AND DETERMINE HOW THIS PROGRAM WILL BE ENFORCED*

The evaluation has documented a number of employer violations of Web Basic Pilot procedures. Although some of these problems can be addressed through improved education and training, it is also necessary to have a way of identifying and acting upon serious program violations. Recognizing this need, USCIS has recently established monitoring and compliance units. This work should continue, especially if the program becomes mandatory, since employers forced to join the program are more likely to look for ways around the program requirements than are those who volunteer.

As part of its monitoring and compliance efforts, USCIS should continue exploring options for using the transaction database to identify employers that are not following Basic Pilot procedures. The following are examples of indicators that could be used for this purpose[11]:

- A high rate of duplicate SSNs and A-numbers submitted by an employer, given its size, industry, and location, may indicate that the employer is knowingly hiring unauthorized workers.

- An unusually low number of queries, given employer location, industry, and size, may point to selective verification of employees.

- An unusually high or low percentage of employees (either total or foreign born) receiving tentative nonconfirmations, given employer location, industry, and size, may indicate that an employer is selectively verifying employees who appear to be foreign-born or failing to verify those believed not to be work-authorized.

- Initiated dates prior to hire dates or blank hire dates constitute an indicator of prescreening.[12]

- Initiated dates well after hire dates may indicate that the employer is verifying persons other than newly hired employees.

- An unusually large number of queries, given the size, industry, and location of the employer, may indicate that the employer is prescreening job applicants or

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[11] These indicators were developed by a USCIS working group on monitoring and compliance in which an evaluation team member participated. At the time this report is being written, USCIS is in the process of establishing monitoring and compliance units that are using these options as a starting point in further developing the indicators.

[12] This recommendation assumes that USCIS stops the recently implemented practice of edit checks preventing the employer from entering hire dates after initiated dates or leaving hire dates blank.

verifying persons with expiring employment authorization documents, existing employees, or others who are not newly hired employees.

- An unusually small percentage of SSA/USCIS tentative nonconfirmations that are referred to SSA/USCIS, given the size, industry, and location of the employer; an unusually high percentage of referred cases becoming "no shows"; or a high rate of self-terminated employees may indicate that an employer is not properly notifying employees of their right to contest tentative nonconfirmation findings.

- No queries being submitted by an employer above a specified threshold size may indicate that the employer is not using the system; although not necessarily a serious issue under a voluntary system, this would require followup in a mandatory system.

- A significant number of cases more than 2 weeks old that do not have closure codes signifies that the employer is not properly closing cases.

- Employers having an unusually high percentage of cases with SSNs or A-numbers that are likely to be fraudulent, based on indicators such as the pattern of their usage or their being never-issued numbers or numbers belonging to deceased individuals, may be aiding and abetting employees in obtaining unauthorized employment.

- An unusually low percentage of final nonconfirmation and unauthorized employees with blank closure codes or codes of "employment terminated" may indicate that the employer is not firing employees with final nonconfirmations, as may an unusually high number of "not terminated" codes.[13]

- A high percentage of employees with temporary work authorization having reverifications close to document expiration dates or a high percentage of duplicate A-number verifications may indicate that the employer is reverifying employees with expiring employment authorization documents.

- A high overall rate of duplicate SSNs and A-numbers, especially if found in disparate locations within a limited time period, may indicate employee fraud that may be aided by employers.

- The system showing no tentative nonconfirmation notices and/or referral letter printouts may mean that the employer is not properly providing employees with information needed to contest cases. Although this information is not currently collected, it should be fairly easy to modify the system to capture it automatically.

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[13] In some cases, there may be valid reasons for not terminating these employees. These include cases that have been successfully appealed (since the results of the appeal cannot currently be entered into the system) and cases in which the employer has strong evidence supporting the person's work-authorization status, such as a letter from SSA, a thorough background check of the worker, or long-term personal knowledge of a worker.

- No record of the employer printing out the pilot participation notice may well mean that the employer is not properly notifying prospective employees of participation in the program. Although this information is not currently collected, it should be easy to modify the system to capture it automatically.

In addition to improved monitoring and compliance, the Federal government should ensure that adequate enforcement efforts are instituted. The effectiveness of the monitoring and compliance units will be dependent, in part, upon the willingness of enforcement agencies to pursue cases identified by these units as constituting serious violations that are not voluntarily corrected by employers after proper notification from USCIS. Enforcement is also critical in cases in which it appears that employers are knowingly engaged in highly serious violations (e.g., selling fraudulent documents to undocumented workers) where initial USCIS notification is not deemed appropriate.

d. CONDUCT OUTREACH

USCIS should implement current plans for a program to inform employees of their rights. This recommendation will become increasingly important and increasingly cost-effective as the program expands to cover more new employees, since employers do not always make employees aware of their rights under the Web Basic Pilot or even that the employer is participating in the program.

USCIS should increase outreach to employers as the Web Basic Pilot expands. Such outreach and training has to extend beyond those program users currently required to complete the tutorial, to include managers and supervisors responsible for enforcing other aspects of the program. Outreach is also needed to make nonparticipating employers aware of the program, its benefits, and its requirements.

4. CHANGES TO MATERIALS

a. REVIEW AND REVISE ALL EMPLOYEE MATERIALS TO MAKE SURE THEY ARE SUITABLE FOR USE WITH EMPLOYEES

Tentative nonconfirmation letters and referral forms should be combined and the wording revised so that employees can more easily understand what they need to do. USCIS is currently translating the notices into other languages, which is a positive step. However, it is also necessary to revise these notices so that they are at a reading level that can be easily read and understood by most employees. At the same time, the tentative nonconfirmation letter and the referral letter should be combined into a single document. Much of the information in the two documents is duplicative, and combining them would make the process less burdensome for employers.

b. *REVIEW AND REVISE THE SYSTEM, TUTORIAL, AND OTHER EMPLOYER MATERIALS TO FURTHER ENHANCE THEIR USER FRIENDLINESS*

Additional changes should be made to the tutorial to further improve its effectiveness. The following changes are recommended:

- **When questions are answered incorrectly, the tutorial should provide and explain the correct response to ensure that the user understands the material.**

- **Periodic retesting and, if needed, refresher training should be used to ensure that material has not been forgotten;** this will also discourage the observed practice of assuming another user's name and password to avoid the tutorial and Mastery Test.

- **Training modules for staff other than system users and administrators should be developed** to help prevent violations of procedures that are the responsibility of staff other than system users. For example, managers and supervisors need to be aware that they may not take adverse actions against employees while the employees are resolving tentative nonconfirmations. Additionally, human resources managers may be unaware that the policies they promulgate on training or pay while tentative nonconfirmations are being contested are in violation of the Memorandum of Understanding or the statute governing the program. The training material developed should also include suggestions for supervisors on how to monitor other staff members involved in the process.

- **The tutorial or resource section should include examples of how to use the system to verify employees under a variety of scenarios,** including more complicated cases. Employers would benefit from seeing how more complicated cases are supposed to be handled from the point of data entry all the way through the referral process and case closure.

- **Employers would like the opportunity to complete the entire verification process with a sample tentative nonconfirmation case before being responsible for implementing the process with real employees.** While some employers do this now, not all of them are aware of the possibility. The evaluation team also endorses an idea raised at a recent USCIS meeting to provide the employer with a list of test names that can be entered, to simplify the identification of these cases during database cleaning.

- **Further clarification of employer responsibilities should be incorporated into the tutorial,** including emphasizing the importance of the following:

    - Reviewing the screen to double-check data input before sending the information to SSA and USCIS;

- Notifying employees of tentative nonconfirmation findings and giving them a copy of the Notice to Employee of Tentative Nonconfirmation and, when appropriate, a referral letter;

- Informing employees of tentative nonconfirmation findings in private; and

- Clarifying when and how cases should be closed in error and resubmitted. For example, it is not clear whether an employer should try to enter a case under a name the employee previously used if the employee receives a tentative nonconfirmation.

- **The training materials and tutorial should be modified to clarify issues that confused some of the case study employers.**

  - The Web Basic Pilot tutorial should address the question of the definition of a "new hire" to help employers understand the critical concept of prescreening.[14] This clarification is especially important for temporary help and employment agencies.

  - The tutorial should include a general overview of what the Web Basic Pilot program is designed to do and how it works. In particular, employers do not understand why many tentative nonconfirmations are issued, and, as a result, some employers simply ignore the findings. The tutorial should provide multiple scenarios for why tentative nonconfirmations might be issued and also explain what happens at SSA and USCIS when those cases are referred. Employers commented that the tutorial focused too much on basic computer skills (where to click to advance the screens) when the employers really need to know how the process works and why it is important to follow the prescribed steps. Another employer recommendation that may help is to include a flowchart of the process in the tutorial.

- **The language used in the tutorial and in the system itself should be modified to make the process less confusing for both employers and employees.** For example, the following terms appear to confuse people[15]:

  - **Tentative nonconfirmation.** Several employers did not understand what this term means and were therefore unable to explain the finding to employees. As a result, employees did not understand why they had received the finding or how to correct it.

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[14] This recommendation assumes that the prohibition against prescreening will continue.

[15] When employers misunderstand and misuse these terms, the results shown in the transaction database become inaccurate, which has a negative impact on the usefulness of the transaction database reports for management and monitoring purposes.

- **DHS Verification in Process.** One case study employer thought that this result meant that the employee was in the process of obtaining work authorization.

- **Case in Continuance.** This was sometimes misconstrued as meaning that the employee was in the process of obtaining work authorization.

- **Self-terminated.** One pretest system user thought that "self-terminated" referred to employer termination of the query and used this code rather than the Invalid Query code.

- **The system should be used to provide online guidance to employers on requirements, such as the requirements for the referral process.** This is especially important for explaining the tentative nonconfirmation process; some employers may encounter these cases infrequently, making it less likely that they will correctly recall the information in the tutorial.

- **The tutorial should be modified so that it serves as a more effective reference tool. Alternatively, a separate indexed reference guide could be created for users to access help on specific topics.** Currently, the tutorial lessons are indexed by broad topics and users must advance through entire lessons to find answers to specific questions. A more detailed index page or a search engine for the tutorial would be a more efficient resource for employers. Employers also requested a frequently asked questions section, as well as listings of local SSA offices. It would also be helpful to provide an option for printing the entire tutorial rather than each individual screen.

- **Users should receive clear instructions on whom to call for help, and efforts should be made to ensure that help desk staff are well-trained.** The toll-free help desk number appears only on the system home page, not on pages where users are likely to need assistance. Many employers call their local SSA office for help with the Web Basic Pilot and frequently find that the local staff are unfamiliar with the program. The Office of Special Counsel for Unfair Immigration-Related Labor Practices in the U.S. Department of Justice also reports having received telephone calls from employers and employees that should have been handled by the Web Basic Pilot help desk. Users would also like to be able to e-mail questions to help desk staff. It is also important to train help desk staff so that they are able to answer employer questions more effectively, since several long-term and recently enrolled users commented on the employer surveys that help desk personnel were unable to answer their questions.

- **The administrator and user account types should be supplemented with one or more additional account types to reflect the full range of employer practices.** For example, one case study employer reported that because of the filing system the employer uses to manage tentative nonconfirmation cases, it is possible for any human resources staff member to work on any case, regardless of who initiated it. To provide this flexibility, the company set every staff member's

system ID to "Administrator." However, as a result all staff members have access to other administrator functions (e.g., changing passwords) that should be restricted to staff actually serving as system administrators. Therefore, it appears that, at a minimum, there should be an intermediate type of access that is less restrictive than the current user account and more restrictive than the current administrator account.

- **Data entry and navigation through the verification screens should be simplified.** For example, the date fields should be formatted so that employers do not have to enter "/"s between numbers. In addition, users should be able to print the Verification Result screen rather than opening up a case details PDF page, and they should be able to return to the verification screens from the PDF page without using the back button on their Web browsers. The Exit/Logout button should be more obvious so that users can find it more easily. Also, the system should be modified so that employers can revise information sent in error without having to cancel out the first case and re-enter all of the original information in addition to correcting the error.

- **The process that employers use to resolve cases should be further streamlined.** For instance, the number of steps the employer must take to close work-authorized cases should be reduced. If an employee is work-authorized at the initial query the employer must click on the Resolve Case button on the verification result screen. The case resolution is entered on a separate screen, and the Resolve Case button must be clicked again. It should be feasible to offer the employer a choice on the verification result screen to "resolve case as work-authorized" or "institute additional checking procedures" and to automatically enter the closure code, if the first alternative is selected.

- **Employers should be able to print employee-specific tentative nonconfirmation notices in a variety of languages directly from the referral screen, rather than printing generic letters from the resource section.** Some employers were unaware that Spanish letters were available in the resource section.

- **The system should be subjected to additional formal usability testing[16] with employers to identify other aspects of the system that employers might find cumbersome or confusing** and to verify that changes implemented are, in fact, understandable and efficient from the user's perspective. Furthermore, usability testing should be conducted whenever employer and employee materials are developed, to ensure that changes are clear to the target audience.

- **To minimize duplicate data entry by employers, efforts should be continued to integrate employers' human resources systems and the Web Basic Pilot**

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[16] Formal usability testing includes procedures for observing and interviewing users to examine issues such as whether they are having difficulty understanding instructions or finding needed information. It goes beyond simple testing of the software to ensure that it does what it is designed to do.

system.[17] Greater integration of the Web Basic Pilot with human resources systems would enable employers to "personalize" the system so that returns directly match their records and so they can produce customized system reports. Such integration would allow users to enter data once to meet the needs of both the employer and the Web Basic Pilot. For instance, the Web Basic Pilot could be modified so that the employer's employee identification numbers are included and are returned with case findings. Employers would also like to be able to export reports from the Web Basic Pilot into Microsoft Excel, Microsoft Word, and Adobe Acrobat. Efforts to integrate the Web Basic Pilot system and human resources systems should take into account the option to use an electronic Form I-9, currently available to employers.

D. EVALUATION RESEARCH

Major procedural changes should be carefully reviewed and subjected to independent evaluation, based on existing data or a pilot program, prior to implementation. It is the understanding of the evaluation team that the October 21, 2005, change was based on anecdotal evidence from a small number of cases. This evaluation documented that the revised program did indeed detect some unauthorized workers, but that it also resulted in increased rates of erroneous tentative nonconfirmations for noncitizens and a significant increase in burden on ISVs at USCIS. An independent evaluation prior to the implementation of this change would have enabled policymakers to make a more informed decision.

Independent general Web Basic Pilot evaluation activities need to be continued. In addition to evaluating specific procedural changes, it is important to conduct more general independent evaluations to measure the progress of USCIS and SSA in implementing the Web Basic Pilot program and to determine the program's effectiveness in meeting the goals set for it, given that the Web Basic Pilot is rapidly evolving and that not all consequences of modifying it can be anticipated.

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[17] USCIS is working not only to make more options available to employers but also to make users aware of what options are available. For example, USCIS has designed a "Wizard" to help users select the best verification option at the time they register to use the Basic Pilot.

LIST OF APPENDIXES

Appendix A

Form I-9 and List of Acceptable Documents

INSTRUCTIONS
PLEASE READ ALL INSTRUCTIONS CAREFULLY BEFORE COMPLETING THIS FORM.

Anti-Discrimination Notice. It is illegal to discriminate against any individual (other than an alien not authorized to work in the U.S.) in hiring, discharging, or recruiting or referring for a fee because of that individual's national origin or citizenship status. It is illegal to discriminate against work eligible individuals. Employers **CANNOT** specify which document(s) they will accept from an employee. The refusal to hire an individual because of a future expiration date may also constitute illegal discrimination.

Section 1- Employee.
All employees, citizens and noncitizens, hired after November 6, 1986, must complete Section 1 of this form at the time of hire, which is the actual beginning of employment. **The employer is responsible for ensuring that Section 1 is timely and properly completed.**

Preparer/Translator Certification. The Preparer/Translator Certification must be completed if Section 1 is prepared by a person other than the employee. A preparer/translator may be used only when the employee is unable to complete Section 1 on his/her own. However, the employee must still sign Section 1 personally.

Section 2 - Employer.
For the purpose of completing this form, the term "employer" includes those recruiters and referrers for a fee who are agricultural associations, agricultural employers or farm labor contractors.

Employers must complete Section 2 by examining evidence of identity and employment eligibility within three (3) business days of the date employment begins. If employees are authorized to work, but are unable to present the required document(s) within three business days, they must present a receipt for the application of the document(s) within three business days and the actual document(s) within ninety (90) days. However, if employers hire individuals for a duration of less than three business days, Section 2 must be completed at the time employment begins. **Employers must record: 1)** document title; **2)** issuing authority; **3)** document number, **4)** expiration date, if any; and **5)** the date employment begins. Employers must sign and date the certification. Employees must present original documents. Employers may, but are not required to, photocopy the document(s) presented. These photocopies may only be used for the verification process and must be retained with the I-9. **However, employers are still responsible for completing the I-9.**

Section 3 - Updating and Reverification.
Employers must complete Section 3 when updating and/or reverifying the I-9. Employers must reverify employment eligibility of their employees on or before the expiration date recorded in Section 1. Employers **CANNOT** specify which document(s) they will accept from an employee.

- If an employee's name has changed at the time this form is being updated/reverified, complete Block A.

- If an employee is rehired within three (3) years of the date this form was originally completed and the employee is still eligible to be employed on the same basis as previously indicated on this form (updating), complete Block B and the signature block.

- If an employee is rehired within three (3) years of the date this form was originally completed and the employee's work authorization has expired **or** if a current employee's work authorization is about to expire (reverification), complete Block B and:

- examine any document that reflects that the employee is authorized to work in the U.S. (see List A **or** C),

- record the document title, document number and expiration date (if any) in Block C, and

- complete the signature block.

Photocopying and Retaining Form I-9. A blank I-9 may be reproduced, provided both sides are copied. The Instructions must be available to all employees completing this form. Employers must retain completed I-9s for three (3) years after the date of hire or one (1) year after the date employment ends, whichever is later.

For more detailed information, you may refer to the Department of Homeland Security (DHS) Handbook for Employers, (Form M-274). You may obtain the handbook at your local U.S. Citizenship and Immigration Services (USCIS) office.

Privacy Act Notice. The authority for collecting this information is the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 USC 1324a).

This information is for employers to verify the eligibility of individuals for employment to preclude the unlawful hiring, or recruiting or referring for a fee, of aliens who are not authorized to work in the United States.

This information will be used by employers as a record of their basis for determining eligibility of an employee to work in the United States. The form will be kept by the employer and made available for inspection by officials of the U.S. Immigration and Customs Enforcement, Department of Labor and Office of Special Counsel for Immigration Related Unfair Employment Practices.

Submission of the information required in this form is voluntary. However, an individual may not begin employment unless this form is completed, since employers are subject to civil or criminal penalties if they do not comply with the Immigration Reform and Control Act of 1986.

Reporting Burden. We try to create forms and instructions that are accurate, can be easily understood and which impose the least possible burden on you to provide us with information. Often this is difficult because some immigration laws are very complex. Accordingly, the reporting burden for this collection of information is computed as follows: **1)** learning about this form, 5 minutes; **2)** completing the form, 5 minutes; and **3)** assembling and filing (recordkeeping) the form, 5 minutes, for an average of 15 minutes per response. If you have comments regarding the accuracy of this burden estimate, or suggestions for making this form simpler, you can write to U.S. Citizenship and Immigration Services, Regulatory Management Division, 111 Massachuetts Avenue, N.W., Washington, DC 20529 OMB No. 1615-0047.

NOTE: This is the 1991 edition of the Form I-9 that has been rebranded with a current printing date to reflect the recent transition from the INS to DHS and its components.

EMPLOYERS MUST RETAIN COMPLETED FORM I-9
PLEASE DO NOT MAIL COMPLETED FORM I-9 TO ICE OR USCIS

Form I-9 (Rev. 05/31/05)Y

Please read instructions carefully before completing this form. The instructions must be available during completion of this form. ANTI-DISCRIMINATION NOTICE: It is illegal to discriminate against work eligible individuals. Employers CANNOT specify which document(s) they will accept from an employee. The refusal to hire an individual because of a future expiration date may also constitute illegal discrimination.

Section 1. Employee Information and Verification. To be completed and signed by employee at the time employment begins.

Print Name: Last	First	Middle Initial	Maiden Name

Address (Street Name and Number)	Apt. #	Date of Birth (month/day/year)

City	State	Zip Code	Social Security #

I am aware that federal law provides for imprisonment and/or fines for false statements or use of false documents in connection with the completion of this form.

I attest, under penalty of perjury, that I am (check one of the following):

☐ A citizen or national of the United States
☐ A Lawful Permanent Resident (Alien #) A _____
☐ An alien authorized to work until _____
(Alien # or Admission #) _____

Employee's Signature	Date (month/day/year)

Preparer and/or Translator Certification. *(To be completed and signed if Section 1 is prepared by a person other than the employee.) I attest, under penalty of perjury, that I have assisted in the completion of this form and that to the best of my knowledge the information is true and correct.*

Preparer's/Translator's Signature	Print Name

Address (Street Name and Number, City, State, Zip Code)	Date (month/day/year)

Section 2. Employer Review and Verification. To be completed and signed by employer. Examine one document from List A OR examine one document from List B and one from List C, as listed on the reverse of this form, and record the title, number and expiration date, if any, of the document(s).

List A	OR	**List B**	**AND**	**List C**
Document title:				
Issuing authority:				
Document #:				
Expiration Date (if any):				
Document #:				
Expiration Date (if any):				

CERTIFICATION - I attest, under penalty of perjury, that I have examined the document(s) presented by the above-named employee, that the above-listed document(s) appear to be genuine and to relate to the employee named, that the employee began employment on *(month/day/year)* _____ **and that to the best of my knowledge the employee is eligible to work in the United States. (State employment agencies may omit the date the employee began employment.)**

Signature of Employer or Authorized Representative	Print Name	Title

Business or Organization Name	Address (Street Name and Number, City, State, Zip Code)	Date (month/day/year)

Section 3. Updating and Reverification. To be completed and signed by employer.

A. New Name (if applicable)	B. Date of rehire (month/day/year) (if applicable)

C. If employee's previous grant of work authorization has expired, provide the information below for the document that establishes current employment eligibility.

Document Title: _____ Document #: _____ Expiration Date (if any): _____

I attest, under penalty of perjury, that to the best of my knowledge, this employee is eligible to work in the United States, and if the employee presented document(s), the document(s) I have examined appear to be genuine and to relate to the individual.

Signature of Employer or Authorized Representative	Date (month/day/year)

NOTE: This is the 1991 edition of the Form I-9 that has been rebranded with a current printing date to reflect the recent transition from the INS to DHS and its components.

Form I-9 (Rev. 05/31/05)Y Page 2

LISTS OF ACCEPTABLE DOCUMENTS

LIST A		LIST B		LIST C
Documents that Establish Both Identity and Employment Eligibility	**OR**	**Documents that Establish Identity**	**AND**	**Documents that Establish Employment Eligibility**

LIST A — Documents that Establish Both Identity and Employment Eligibility

1. U.S. Passport (unexpired or expired)

2. Certificate of U.S. Citizenship *(Form N-560 or N-561)*

3. Certificate of Naturalization *(Form N-550 or N-570)*

4. Unexpired foreign passport, with *I-551 stamp or* attached *Form I-94* indicating unexpired employment authorization

5. Permanent Resident Card or Alien Registration Receipt Card with photograph *(Form I-151 or I-551)*

6. Unexpired Temporary Resident Card *(Form I-688)*

7. Unexpired Employment Authorization Card *(Form I-688A)*

8. Unexpired Reentry Permit *(Form I-327)*

9. Unexpired Refugee Travel Document *(Form I-571)*

10. Unexpired Employment Authorization Document issued by DHS that contains a photograph *(Form I-688B)*

OR

LIST B — Documents that Establish Identity

1. Driver's license or ID card issued by a state or outlying possession of the United States provided it contains a photograph or information such as name, date of birth, gender, height, eye color and address

2. ID card issued by federal, state or local government agencies or entities, provided it contains a photograph or information such as name, date of birth, gender, height, eye color and address

3. School ID card with a photograph

4. Voter's registration card

5. U.S. Military card or draft record

6. Military dependent's ID card

7. U.S. Coast Guard Merchant Mariner Card

8. Native American tribal document

9. Driver's license issued by a Canadian government authority

For persons under age 18 who are unable to present a document listed above:

10. School record or report card

11. Clinic, doctor or hospital record

12. Day-care or nursery school record

AND

LIST C — Documents that Establish Employment Eligibility

1. U.S. social security card issued by the Social Security Administration *(other than a card stating it is not valid for employment)*

2. Certification of Birth Abroad issued by the Department of State *(Form FS-545 or Form DS-1350)*

3. Original or certified copy of a birth certificate issued by a state, county, municipal authority or outlying possession of the United States bearing an official seal

4. Native American tribal document

5. U.S. Citizen ID Card *(Form I-197)*

6. ID Card for use of Resident Citizen in the United States *(Form I-179)*

7. Unexpired employment authorization document issued by DHS *(other than those listed under List A)*

Illustrations of many of these documents appear in Part 8 of the Handbook for Employers (M-274)

Appendix B
Steps for Cleaning the Transaction Database

STEPS FOR CLEANING THE TRANSACTION DATABASE

This appendix describes the approach used to clean the Web Basic Pilot transaction database. This process is divided into four sets of steps: (1) preliminary steps, (2) Social Security number (SSN) check, (3) Alien number (A-number) check, and (4) date of birth and name checks. Each of these sets of steps is examined in turn.

A. PRELIMINARY STEPS

Exhibit B-1 depicts the preliminary steps in which cases that are clearly invalid are deleted from the original file. These include cases that the employer indicated were "Invalid Queries" by closing the case with a closure code of "IQ." Of the almost 3.9 million cases on the initial transaction database, approximately 233,000 cases (6 percent) were deleted for this reason. Another 42,000 cases were deleted because they were clearly a system duplicate; that is, all of the case information (employer number, SSN, case outcome, etc.) and the initiated date were the same. Finally, 700 cases were deleted because they were test cases (based on the employer name).

B. SOCIAL SECURITY NUMBER CHECKS

Since the definition of a case is a single hiring of an employee by an employer, the cleaning routines do not delete duplicate SSNs involving different employers. It is, however, not always easy to distinguish between duplicate SSN cases for unique cases (e.g., those involving a single employer that are rehires or the hiring of more than one person using a specific fraudulent SSN) and for multiple transmissions for a single case (e.g., cases in which the employer incorrectly submits a tentative nonconfirmation case as a new case rather than as a resubmittal after the employee has visited the Social Security Administration (SSA) or mistakenly submits a given case more than once). The evaluation team, therefore, developed and applied a set of rules to use in making these distinctions.

In developing the rules to use in cleaning the transaction database, the evaluation team examined records on the initial file to determine whether the rules make sense in terms of what is on the database. For example, the duplicate SSNs for several employers were examined to see if it was reasonable to assume that when two SSNs were transmitted close together in time that they related to a single case rather than multiple hirings of the same person or of different persons having the same fraudulent SSNs. Although it is not possible to develop rules that will be correct for all cases, the evaluation team believes that applying the rules results in a database that more accurately reflects what is happening to individuals being screened by the Web Basic Pilot program than does the original data file.

Exhibit B-1: Preliminary Steps in Cleaning the Web Basic Pilot Transaction Database

File from CSC (3,881,822 records)

Closure code equals 'IQ'? — Yes → 232,497 records

No

3,649,325 records

System duplicate? ← Yes — 41,927 records

No

3,607,398 records

Test case? ← Yes — 676 records

No

3,606,722 records
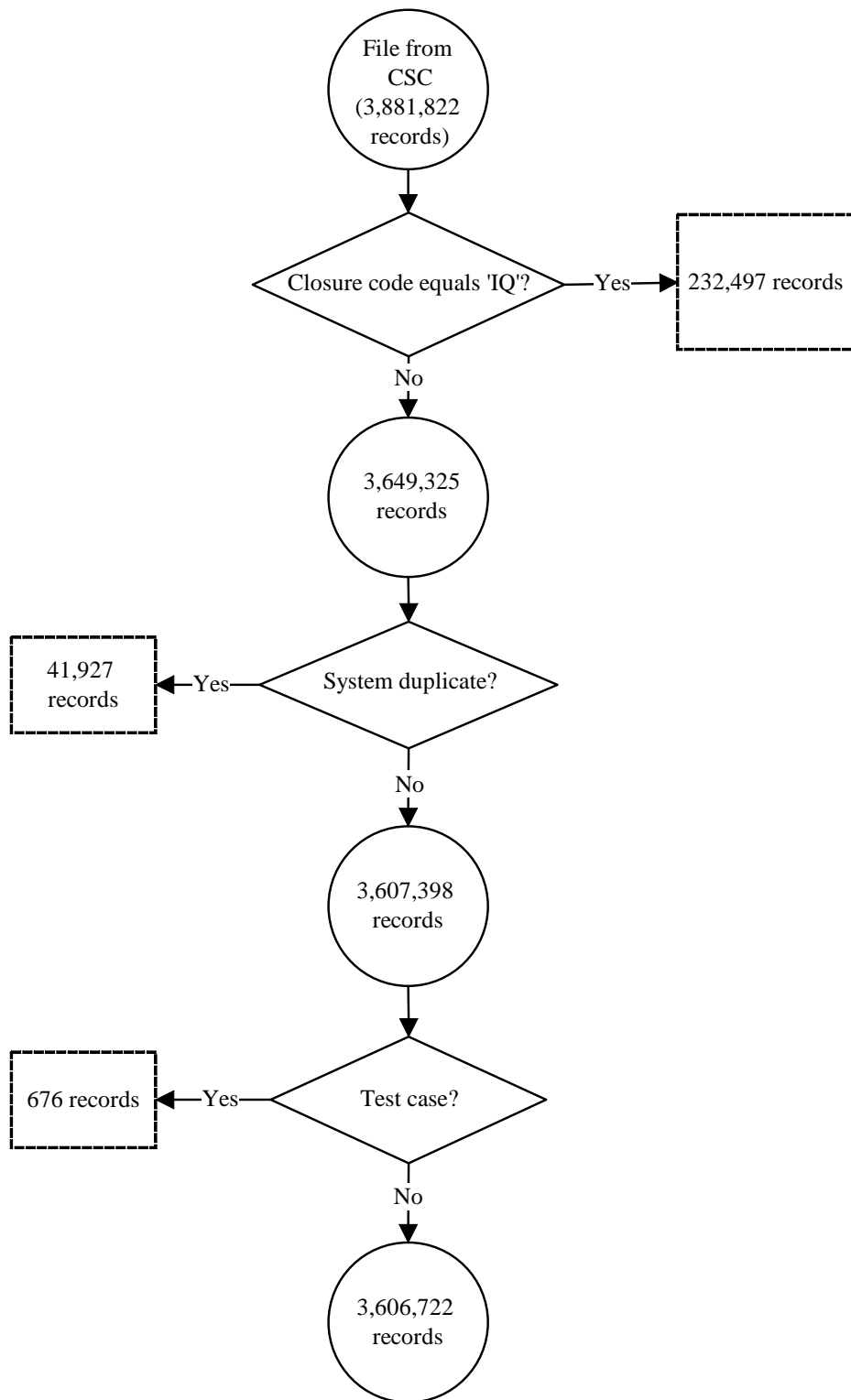
NOTE: IQ = Invalid Query.

Exhibit B-2 shows the sequence of checks run on duplicate SSNs. The first check was to identify whether it seems likely that the case is one that the employer should have closed as an Invalid Query, but failed to do so. This step led to the deletion of 24,100 cases. For example, when an employer submits two non-identical records on the same day for the same SSN that differ from one another on basic identifying information such as last name, the evaluation team assumes that the first case was a case that should have been closed in error.

Cases were assumed to be resubmittals of cases that had been referred to SSA when two records for an employer had the same SSN and the same hire date, the first case outcome was an SSA tentative nonconfirmation, the second case was submitted between 1 and 30 days after the first, and neither submission was a case resubmittal. This rule led to deletion of 26,700 cases; prior to deletion of the earlier of the two cases submitted, the latter record was recoded as a resubmittal and information from the earlier record was used to complete the fields describing the initial disposition of the case.

Cases were assumed to be mistaken resubmittals of authorized cases when both duplicate SSN cases from the employer received a system response of authorized, there were fewer than 30 days between their hire dates, and there were fewer than 8 days between case submissions. Approximately 55,800 cases were deleted based on this rule.

C.   ALIEN NUMBERS

Of the 602,560 cases with A-numbers, 860 were cases in which A-numbers were clearly "made up" (e.g., a number consisting only of 9s). Cases with A-numbers other than the made-up number cases were examined during a process that was similar to that used for duplicate SSNs. Since the SSN checks preceded the A-number checks and since all cases have SSNs and only noncitizen cases have A-numbers, it is not surprising that the duplicate A-number checks resulted in the deletion of fewer cases than the duplicate SSN number checks. As a result of the A-number checks, 2,300 cases were deleted because it appeared that they should have been closed in error. Another 1,100 cases were deleted as probable resubmissions, and approximately 300 cases appeared to be attributable to mistaken resubmittal of a work-authorized case.

Exhibit B-2: Check for Duplicates Defined by Social Security Number
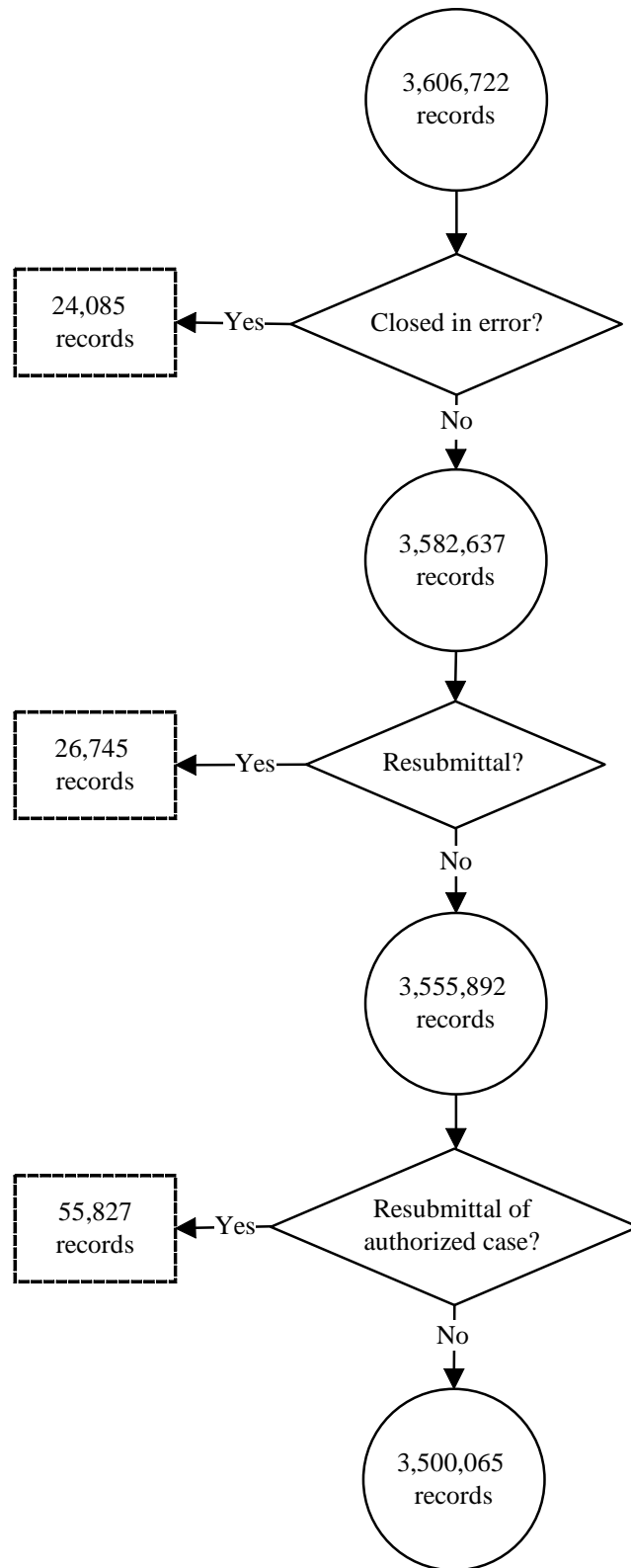
Exhibit B-3: Check for Duplicates Defined by Alien Number

```
                        ╭─────────────╮
                        │  3,500,065  │
                        │   records   │
                        ╰─────────────╯
                               │
                               ▼
    ┌─────────────┐         ╱───────────╲
    │    2,319    │◄──Yes──⟨ Closed in error? ⟩
    │   records   │         ╲───────────╱
    └─────────────┘              │
                                 No
                                 ▼
                        ╭─────────────╮
                        │  3,497,746  │
                        │   records   │
                        ╰─────────────╯
                               │
                               ▼
    ┌─────────────┐         ╱───────────╲
    │    1,137    │◄──Yes──⟨ Resubmittal? ⟩
    │   records   │         ╲───────────╱
    └─────────────┘              │
                                 No
                                 ▼
                        ╭─────────────╮
                        │  3,496,609  │
                        │   records   │
                        ╰─────────────╯
                               │
                               ▼
    ┌─────────────┐         ╱────────────────╲
    │ 261 records │◄──Yes──⟨  Resubmittal of   ⟩
    │             │         ⟨ authorized case? ⟩
    └─────────────┘         ╲────────────────╱
                                 │
                                 No
                                 ▼
                        ╭─────────────╮
                        │  3,496,348  │
                        │   records   │
                        ╰─────────────╯
```
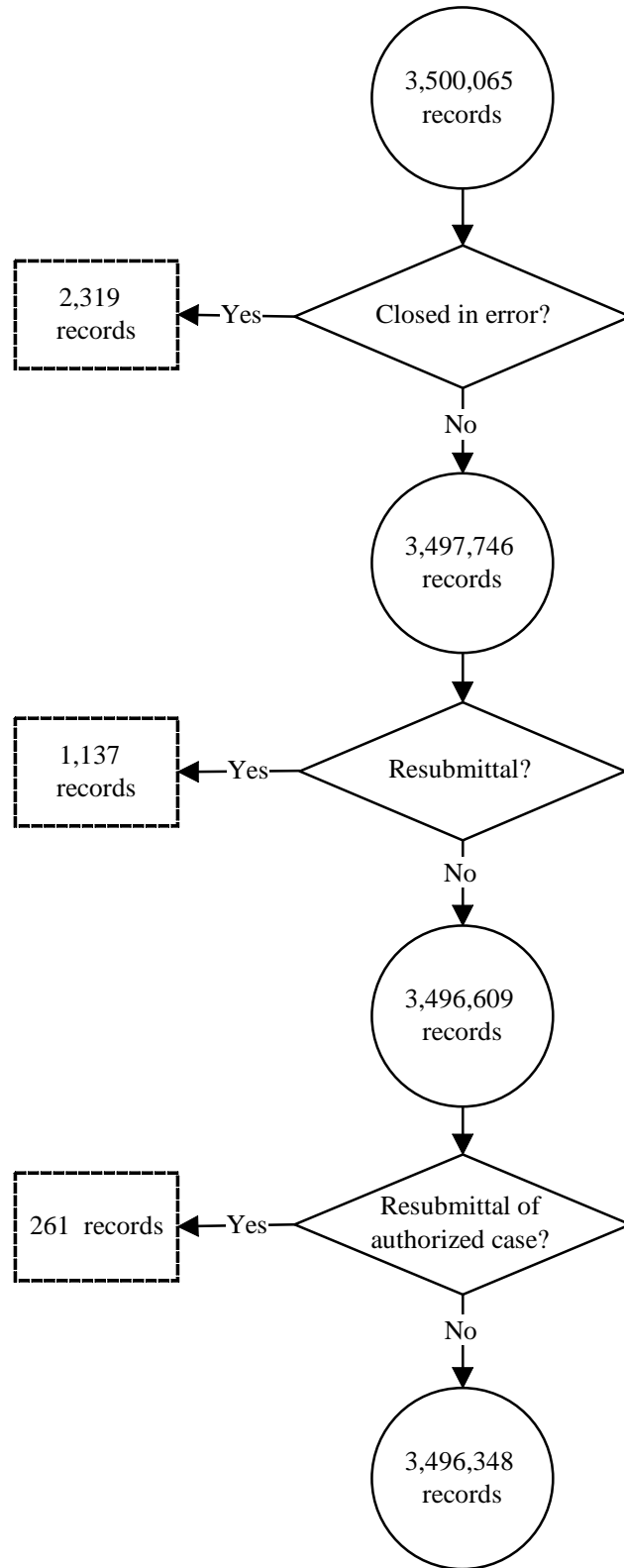
D. DATE OF BIRTH AND NAME CHECKS

A variable was created by combining the employee's date of birth, the first four letters of his or her last name, and the first initial of his or her first name, according to Form I-9 information submitted by the employer.[1] This set of steps was primarily designed to identify duplicate cases that would not have been identified in the SSN and A-number checks because the two "duplicate" cases had different SSNs or A-numbers (Exhibit B-4); this situation would occur if the employer realized that an incorrect SSN or A-number had been transmitted and resubmitted the corrected information without closing the original case as an Invalid Query. Once the name variable was constructed, duplicate names were put through the same types of checks as those run for duplicate A-numbers. Based on these checks, 13,100 cases were deleted as coded in error cases. Almost 2,000 cases were cases in which it appeared that the employer had incorrectly submitted resubmittals as new cases, and in another 700 cases the employer appeared to have resubmitted a case that had already been found to be work-authorized.

E. TOTAL CASES CLEANED

A total of 401,167 records were removed during the cleaning process. These records constituted a little more than 10 percent of the 3,881,822 records contained in the uncleaned data file received.

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[1] These checks are not the same as those used in the verification process.

Exhibit B-4: Check for Duplicates Defined by Date of Birth and Name

Flowchart:

- 3,496,348 records → Closed in error?
  - Yes → 13,070 records
  - No → 3,483,278 records → Resubmittal?
    - Yes → 1,962 records
    - No → 3,481,316 records → Resubmittal of authorized case?
      - Yes → 661 records
      - No → 3,480,655 records
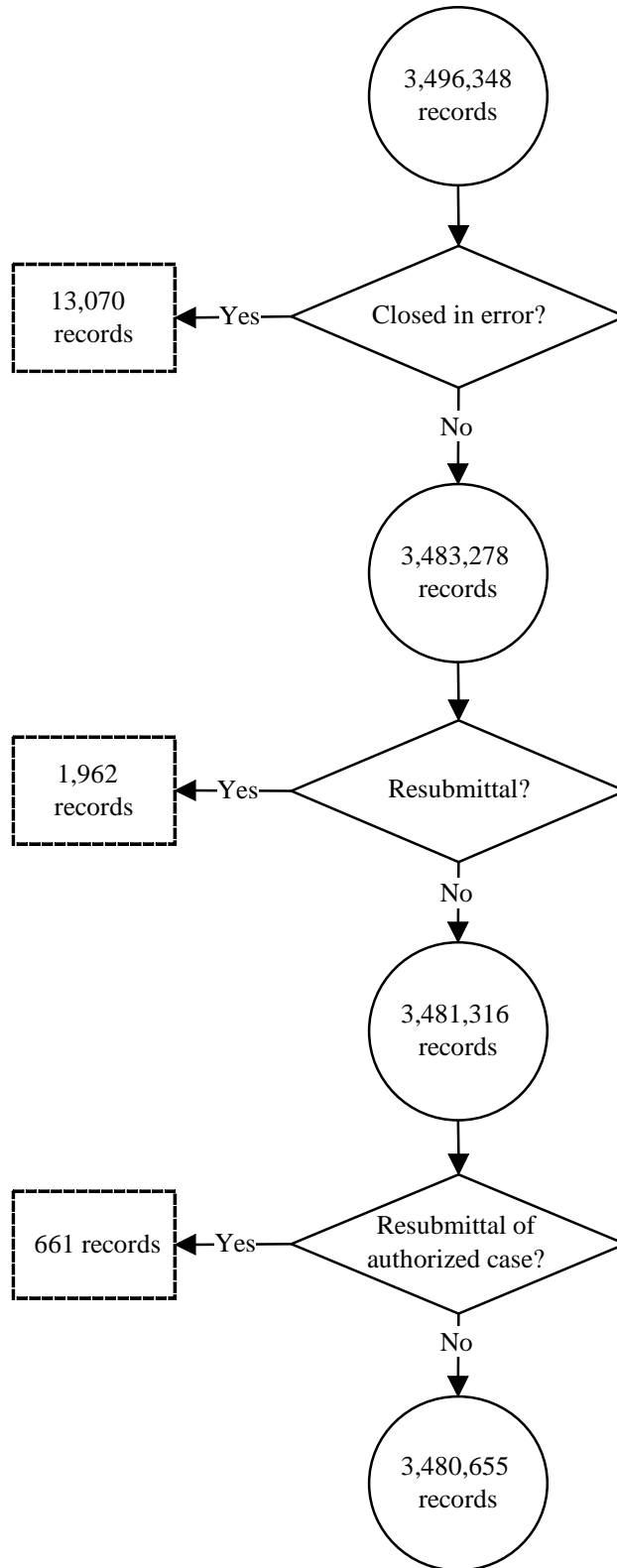
Appendix C

Estimation of the Work-Authorization
Status of Unresolved Cases

ESTIMATION OF THE WORK-AUTHORIZATION STATUS OF UNRESOLVED CASES

A. BACKGROUND

Evaluation of several of the pilots' key goals, as articulated in the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA) and by stakeholders, required the evaluation team to estimate work-authorization rates for various groups of newly hired employees in establishments participating in the Web Basic Pilot. Examination of the transaction database provided only limited information of use in evaluating the progress toward these goals. Using the October 2006 through March 2007 transaction database for illustration, the work-authorization rate cannot be accurately estimated using only normal statistical procedures, since only 0.01 percent of all cases were determined by the Web Basic Pilot system to be unauthorized, while 5.3 percent of the cases were final nonconfirmation cases. Therefore, the estimated percentage of screened employees with either unauthorized or final nonconfirmation findings who were not work-authorized was between 0.01 percent and 5.3 percent using only these data. This range is too broad to provide a meaningful estimate.[1]

Information from employer and Federal interviews indicated that the final nonconfirmation cases included a mix of work-authorized and non-work-authorized employees. However, this information was not specific enough to provide precise estimates of the percentage of the cases in each category. The evaluation team therefore developed a model to estimate the work-authorization status of employees in the Web Basic Pilot transaction database. Information about the model is provided in this appendix.

B. MODEL-BASED ESTIMATION FOR SSA CASES

For employees whose records were never sent to the U.S. Citizenship and Immigration Services (USCIS), the model used information on the observed relationship between the initial findings of the Social Security Administration (SSA) database match and final case resolution (i.e., authorized, not authorized, or final nonconfirmation) to estimate the percentage of unauthorized employees. The model also included assumptions that have not been empirically tested.

Exhibit C-1 provides the basic model for cases in which SSA issues a tentative nonconfirmation. The bold letters in parentheses on the exhibit are for reference purposes. The numbers are for illustrative purposes only.

The purpose of this part of the model is to estimate how many employees who received final nonconfirmation outcomes from SSA would have been found to be work-authorized, given what is known about the cases and a set of "reasonable assumptions."

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[1] No attempt was made to estimate the number of persons without work authorization among verified employees found to be work-authorized.

Exhibit C-1: Illustration of Web Basic Pilot Process Between SSA Tentative Nonconfirmation and Final Determination for Work-Authorized Employees*

Work-authorized employees with an SSA tentative nonconfirmation
(A) (30)

Employer informs employee?

No (20%) → Final nonconfirmation **(D)** (6)

Yes (80%)

Notified employees **(B)** (24)

Employee contests?

No (10%) → Final nonconfirmation **(E)** (2)

Yes (90%)
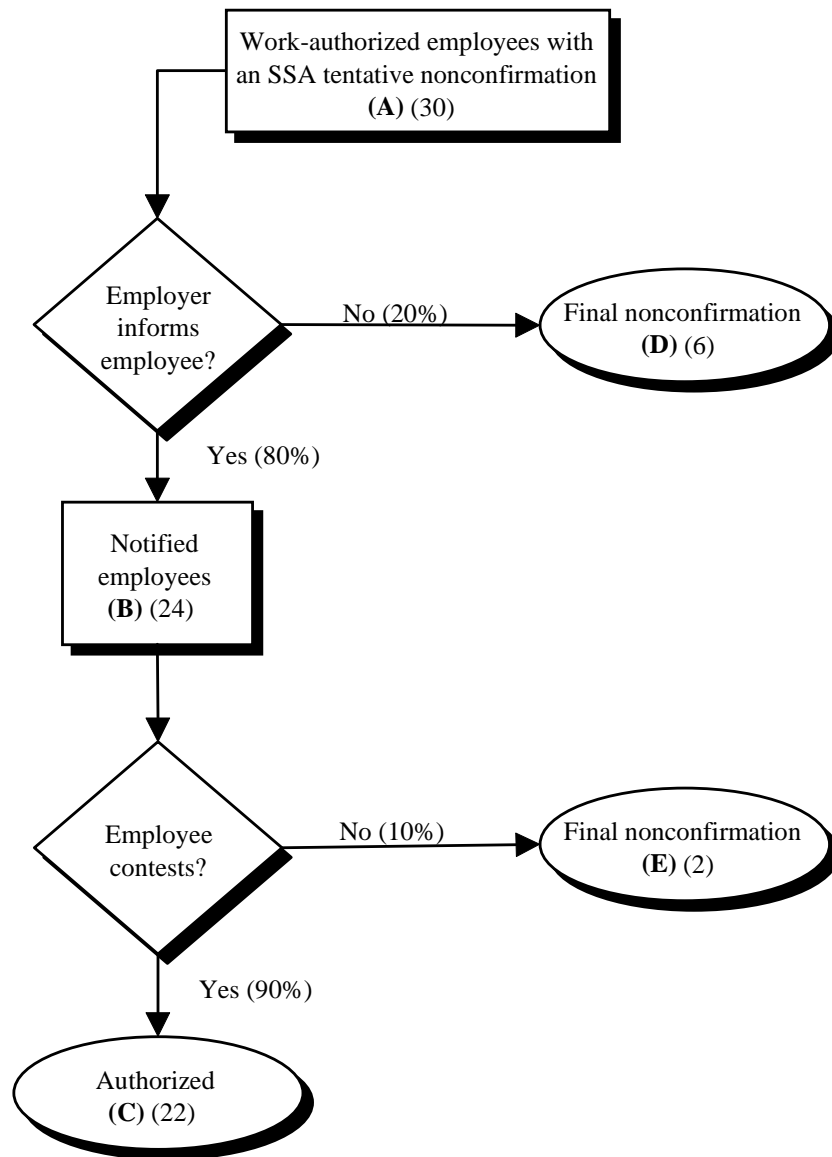
Authorized **(C)** (22)

*The numbers refer to employees with an initial SSA determination of "name disagrees with SSA" and assume that 80 percent of employees are informed of the tentative nonconfirmation and that 90 percent of work-authorized employees contest the tentative nonconfirmation.

NOTE: In using the model for estimating, the number authorized **(C)** is taken from the transaction database. The remaining numbers are estimated.

The evaluation team used the following assumptions to estimate the number of employees with final nonconfirmations who would have been determined to be work-authorized by the Web Basic Pilot system if all cases had been resolved.

1. The probability that an employee receiving a final nonconfirmation from SSA is actually work-authorized[2] depends on the initial reason for the case not being matched on the SSA database. For example, it is reasonable to believe that there are more work-authorized individuals among those non-matched cases for which the employee's name did not match the SSA database than among those for whom both the name and date of birth disagreed. This assumption is consistent with data on the percentage of employees in each category who contested tentative nonconfirmations, assuming that employees in categories with high concentrations of authorized employees are more likely to contest than those in categories with few authorized employees. Employees with employer-input names that disagreed with SSA names were more likely to contest than were employees with a date of birth that did not match the SSA database (8.4 percent compared to 2.2 percent) (Exhibit C-2).

2. The percentage of employees informed by their employers of tentative nonconfirmations from SSA does not depend on the reason for issuing the tentative nonconfirmation. For example, employees not matched because of an invalid Social Security number were no more or less likely to have been informed of a tentative nonconfirmation than were employees whose names did not match the SSA database. In the model, the user estimates this percentage, so alternative scenarios can be tested. Exhibit C-1 models the probability that the employee will move from **(A)** to **(B)** (from tentative nonconfirmation to notification). The illustration assumes that the user has set the percentage of notified employees equal to 80 percent.

3. The percentage of *work-authorized* employees contesting SSA tentative nonconfirmations does not depend on the reason for issuing the tentative nonconfirmation. For example, work-authorized employees not matched because of an invalid Social Security number are no more or less likely to contest than are employees who did not match on date of birth. In the model, the user estimates this percentage, so alternative scenarios can be tested. Exhibit C-1 models the probability that the employee will move from **(B)** to **(C)** (from notification to authorization). The illustration assumes that the user has set the percentage of employees who contest tentative nonconfirmations equal to 90 percent.

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[2] To simplify the explanation of the model, employees who were or would have been authorized by the system are referred to as work-authorized. In reality, as discussed in the report, some employees determined to be work-authorized were not actually work-authorized.

Exhibit C-2: Percentage of Employees Receiving Tentative Nonconfirmations from SSA with a Final Finding of Work-Authorized by SSA, by Initial SSA Finding

Initial SSA Finding	Number of SSA Tentative Nonconfirmation Cases	Percent of SSA Cases Found to Be Work-Authorized
Invalid Social Security number	5,566	0.5
Date of birth disagrees with SSA database	8,213	2.2
Name disagrees with SSA database	6,379	8.4
Name and date of birth disagree with SSA database	22,506	0.7
Social Security number belongs to dead person	484	0.2
Unlawful permanent resident	11,336	22.3
Total	54,484	7.2

SOURCE: Web Basic Pilot Transaction Database: October 2006-March 2007

C. MODEL-BASED ESTIMATES FOR USCIS

The basic model for cases in which USCIS issues a tentative nonconfirmation is the same as the model for the SSA cases except that the estimates of final case outcomes are based on the relationship between a combination of the initial SSA finding and the initial USCIS automated match finding and the final case finding.

D. RANGE ESTIMATION

To obtain a preliminary estimate of the range of possible values for the percentage of unauthorized employees, two scenarios were tested. In the first, all of the user-input parameters were set to 100 percent. This scenario assumes that all work-authorized individuals have been notified of their tentative nonconfirmations and that all notified employees have contested their cases. As expected, this calculation results in an estimate of the percentage unauthorized of 5.3 percent; that is, it is equal to the percentage of all tentative nonconfirmation cases. This is the maximum value.

To obtain a reasonable minimum value, the evaluation team assumed that the product of the percentage of tentative nonconfirmation cases who are informed and the percentage of informed tentative nonconfirmation cases who contest is set equal to the minimum value consistent with the observed rate of employees who actually contested within the SSA and USCIS categories examined. This resulted in an estimate of 4.0 percent. Thus, the range of estimated values is 4.0 percent to 5.3 percent. To obtain a point estimate, the evaluation team set the percentage of SSA work-authorized tentative nonconfirmation cases who contest at the midpoint between the minimum (22 percent) and maximum (100 percent) values [i.e., 22 + 0.5 * (100 - 22)] = 61 percent). Similarly, the percentage of USCIS work-authorized tentative nonconfirmation cases who contest was set at the midpoint between the minimum (69 percent) and maximum (100 percent) values. Similarly, the percentage of USCIS work-authorized tentative nonconfirmation cases who contest was set at the midpoint between the minimum (69 percent) and maximum (100

percent) values [i.e., 69 + 0.5 * (100 - 22)] = 85 percent). The resulting model estimate was 5.0 percent.

Appendix D

Multivariate Analyses

MULTIVARIATE ANALYSES

This appendix provides supplemental information about the multivariate analyses presented in this report. The evaluation team used the following statistical techniques in its multivariate analyses: linear regression, logistic regression, and hierarchical linear modeling. This appendix explains the procedures used and provides details about the results.

A.   MULTIPLE REGRESSION

All of the regression analyses followed the same basic set of procedures. First, the evaluation team performed a series of bivariate analyses between the dependent variable and the independent variables expected to be associated with it. The purpose of these analyses was to reduce the number of variables included in the multivariate analysis to a reasonable number (i.e., to simplify the model) and to identify whether any of the independent variables should be transformed by logarithmic or other mathematical functions. Second, variables that were highly correlated with each other were identified to avoid multicollinearity problems. Although the stepwise multiple regression method was used to help identify the combination of variables that best predict the dependent variable, alternative models were also tested. An alternative model was selected if it was easier to interpret in light of the bivariate results and if the theoretical expectations fit almost as well as the model selected by stepwise regression.

Analyses of continuous dependent variables were done using the linear regression routine in SPSS version 13. Analyses of dichotomous dependent variables were done using the logistic regression routine in SPSS version 13. This section presents parameter estimates for the final regression models (see Exhibits D-1 through D-4).

Exhibit D-1: Regression Analysis Predicting Overall Employer Satisfaction Score*

	Unstandardized Coefficients		Standardized Coefficients		
	B	SE	Beta	T-Ratio	P-Value
(Constant)	490.99	4.10		119.74	0.00
Industry: Agriculture, forestry, fishing, hunting	-25.34	18.83	-0.05	-1.35	0.18
Industry: Mining, utilities, construction	41.29	16.93	0.09	2.44	0.01
Industry: Employment services	17.32	11.89	0.05	1.46	0.15
Average set-up cost	0.01	0.01	0.06	1.61	0.11
Employer size	0.00	0.00	0.08	2.20	0.03

*Satisfaction is measured using an item response theory scale score standardized to a mean of 500 and a standard deviation of 100.

SOURCE: Web Basic Pilot Employer Survey of Long-Term Users

Exhibit D-2: Regression Analysis Predicting Employers' Satisfaction Level Between Long-Term and Recently Enrolled Users*

	Unstandardized Coefficients	Standard Error	Standardized Coefficients	T-Value	P-Value
(Constant)	491.15	4.08		120.36	0.00
Group: Recently enrolled users	-11.23	6.31	-0.05	-1.78	0.08
Less than 5% of immigrant employees	-10.59	6.14	-0.05	-1.72	0.09
More than 500 employees	17.81	5.41	0.09	3.29	0.00
Industry: Agriculture, forestry, fishing, hunting	-28.18	14.23	-0.05	-1.98	0.05
Industry: Mining, utilities, construction	29.18	10.40	0.08	2.80	0.01
Industry: Professional/scientific/ education/arts	36.67	9.13	0.12	4.02	0.00
Industry: Employment services	20.10	8.94	0.06	2.25	0.02

*Satisfaction is measured using an item response theory scale score standardized to a mean of 500 and a standard deviation of 100.

SOURCE: Web Basic Pilot Employer Surveys of Long-Term and Recently Enrolled Users

Exhibit D-3: Regression Analysis Predicting Overall Employer Compliance Score

	Unstandardized Coefficients		Standardized Coefficients		
	B	SE	Beta	T-Ratio	P-Value
(Constant)	19.26	0.13		145.17	0.00
Industry: Mining, utilities, construction	-0.99	0.47	-0.08	-2.12	0.03
Industry: Animal food manufacturing	0.72	0.27	0.10	2.61	0.01
Industry: Wholesale/retail trade	-1.39	0.54	-0.09	-2.58	0.01
Industry: Employment services	-0.91	0.35	-0.10	-2.60	0.01

SOURCE: Web Basic Pilot Employer Survey of Long-Term Users

Exhibit D-4: Regression Analysis Predicting Employer Compliance Level Between Long-Term and Recently Enrolled Users

	Unstandardized Coefficients		Standardized Coefficients		
	B	SE	Beta	T-Value	P-Value
(Constant)	18.40	0.31		58.43	0.00
Group: Recently enrolled users	-0.78	0.24	-0.12	-3.22	0.00
Percent of employees who are immigrants	-0.02	0.07	-0.01	-0.27	0.78
Industry: Agriculture, forestry, fishing, hunting	1.35	0.53	0.08	2.56	0.01
Industry: Animal food manufacturing	1.68	0.30	0.21	5.57	0.00
Industry: Other food/beverage/tobacco manufacturing	1.20	0.43	0.10	2.80	0.01
Industry: Other manufacturing	0.85	0.32	0.10	2.67	0.01
Industry: Professional/scientific/ education/arts/entertainment	1.07	0.36	0.10	2.94	0.00
Industry: Public administration/social services	0.79	0.29	0.10	2.71	0.01
Industry: Accommodation/food services	0.98	0.29	0.13	3.34	0.00

SOURCE: Web Basic Pilot Employer Surveys of Long-Term and Recently Enrolled Users

B. HIERARCHICAL LINEAR MODELING

Hierarchical linear modeling (HLM), like the more commonly used multiple regression, is a multivariate analysis technique to examine the linear relationship between a set of independent variables and a dependent variable. In both models, a set of independent variables explains a proportion of the variance in a dependent variable and can explain the relative importance of the independent variables. HLM is an analysis tool that provides estimates of the relationships between both individual-level (in this context, employee) and organizational-level (in this context, employer) variables, by correcting for aggregating bias and unit of analysis problems that are commonly found in multiple regression. However, HLM analyses are much more difficult to run and, therefore, more expensive than the more commonly used techniques such as multiple regression. The evaluation team, therefore, decided to use the HLM approach for only two of the most important analyses in this report.

The first analysis selected for HLM examined factors affecting the probability that an employee would be found to be work-authorized based solely on the automated match. The second analysis looked at the probability of an employee receiving a tentative

nonconfirmation. Both analyses were restricted to cases that were authorized at some point during the Web Basic Pilot process.

The Bernoulli model was used to investigate the effect of selected independent variables on these two outcomes across time. The estimating model is a nonlinear three-level generalized HLM, nesting transaction database records within time within employers. The model could be described as follows:

Level-1 Model: Transaction

$$Prob(Y=1|B) = P$$

$$log[P/(1-P)] = P0 + P1*(NONCITIZEN) + P2*(PREPOST)$$

Level-2 Model: Time

$$P0 = B00 + B01*(SIXMONTH) + B02*(COUNT\_\_A) + R0$$

$$P1 = B10$$

$$P2 = B20$$

Level-3 Model: Employers

$$B00 = G000 + G001(EMPLOY\_A) + G002(AZTX) + G003(NORTHEAS) + G004(NORTHERN) + G005(MIDWEST) + G006(SOUTHERN) + G007(FL) + G008(AFFH) + G009(MUC) + G0010(AFM) + G0011(OFBTM) + G0012(OM) + G0013(WRT) + G0014(PSTEAE) + G0015(ES) + G0016(PASS) + G0017(AFS) + U00$$

$$B01 = G010$$

$$B02 = G020$$

$$B10 = G100$$

$$B20 = G200$$

At level 1, the confirmation status of a transaction database record is modeled by average rate within employer in that time (P0), Form I-9 citizenship status (NONCITIZEN), and verification process change (PREPOST). Predictors NONCITIZEN and PREPOST are two dummy variables to flag employees who are noncitizens and who were processed after the system change, respectively. A significant P coefficient would suggest that the characteristic is an important predictor, and the odds ratio indicates the magnitude of significance.

At level 2, the model predicted the average rate (P0) within a time from the average confirmation rate of an employer across time (B00), the trend across time (B01), and the frequency of using the system (B02).

Finally, at level 3, the variation of the average confirmation rate of an employer across time was examined to ascertain whether it was affected by employer characteristics, including employer size (G001), State grouping (G002-G007), industrial grouping (G008-G0017), and a residual (U00).

Exhibit D-5 presents the results of the HLM for whether the case was authorized automatically, and Exhibit D-6 presents the results for the HLM for whether the case was authorized without a tentative nonconfirmation.

Exhibit D-5: Estimation of Nonlinear Hierarchical Model for Whether a Case Was Authorized Automatically

Predictor	Coefficient	Standard Error	T-Ratio	Degrees of Freedom	P-Value	Odds Ratio
Employer-level predictors						
Intercept	4.59	0.33	13.85	526	0.00	
Geographic location (compared to California)						
Arizona/Texas	0.15	0.11	1.33	526	0.18	1.16
Northeast	-0.06	0.15	-0.41	526	0.68	0.94
Northern/Western	0.20	0.11	1.83	526	0.07	1.22
Midwest	0.27	0.11	2.44	526	0.02	1.30
Southern	0.27	0.14	2.01	526	0.05	1.31
Florida	-0.08	0.14	-0.60	526	0.55	0.92
Industry (compared to other industries)						
Agriculture, forestry, fishing, hunting	0.67	0.35	1.90	526	0.06	1.95
Mining, utilities, construction	0.24	0.37	0.66	526	0.51	1.27
Animal food manufacturing	0.53	0.24	2.16	526	0.03	1.70
Other food/beverage/tobacco manufacturing	0.44	0.25	1.76	526	0.08	1.55
Other manufacturing	0.35	0.25	1.41	526	0.16	1.42
Wholesale/retail trade	0.69	0.29	2.38	526	0.02	1.99
Professional/scientific/technical/education/arts	0.23	0.25	0.92	526	0.36	1.26
Employment services	0.92	0.24	3.84	526	0.00	2.51
Public administration/social services	0.28	0.24	1.17	526	0.24	1.33
Accommodation/food services	0.04	0.24	0.19	526	0.85	1.05
Employer size	0.01	0.03	0.42	526	0.68	1.01
Trend-level predictors						
Time	-0.06	0.02	-2.33	2,715	0.02	0.95
Number of transactions (hundreds)	0.00	0.00	0.29	2,715	0.77	1.00
Case-level predictors						
Form I-9 citizenship status	-2.73	0.22	-12.32	861,038	0.00	0.07
Verification process change	-0.16	0.07	-2.20	861,038	0.03	0.85

SOURCE: Web Basic Pilot Longitudinal Transaction Database: October 2004-March 2007

Exhibit D-6: Estimation of Nonlinear Hierarchical Model for Whether an Ever-Authorized Case Was Authorized Without a Tentative Nonconfirmation

Predictor	Coefficient	Standard Error	T-Ratio	Degrees of Freedom	P-Value	Odds Ratio
Employer-level predictors						
Intercept	3.74	0.34	11.16	526	0.00	
Geographic location (compared to California)						
Arizona/Texas	0.58	0.13	4.37	526	0.00	1.79
Northeast	0.09	0.16	0.56	526	0.58	1.09
Northern/Western	0.51	0.10	5.18	526	0.00	1.66
Midwest	0.75	0.10	7.34	526	0.00	2.12
Southern	1.02	0.15	6.97	526	0.00	2.78
Florida	0.00	0.13	0.03	526	0.98	1.00
Industry (compared to other industries)						
Agriculture, forestry, fishing, hunting	1.05	0.36	2.93	526	0.00	2.87
Mining, utilities, construction	0.03	0.43	0.07	526	0.94	1.03
Animal food manufacturing	0.41	0.34	1.23	526	0.22	1.51
Other food/beverage/tobacco manufacturing	0.12	0.33	0.35	526	0.73	1.12
Other manufacturing	0.16	0.33	0.47	526	0.64	1.17
Wholesale/retail trade	0.40	0.38	1.05	526	0.30	1.50
Professional/scientific/technical/education/arts	0.18	0.35	0.51	526	0.61	1.20
Employment services	1.49	0.34	4.38	526	0.00	4.42
Public administration/social services	0.01	0.34	0.04	526	0.97	1.01
Accommodation/food services	-0.34	0.33	-1.05	526	0.29	0.71
Employer size	0.02	0.03	0.64	526	0.52	1.02
Trend-level predictors						
Time	0.13	0.03	3.91	2,715	0.00	1.14
Number of transactions (hundreds)	0.00	0.01	-0.49	2,715	0.63	1.00
Case-level predictors						
Form I-9 citizenship status	-0.40	0.12	-3.40	861,038	0.00	0.67
Verification process change	-0.17	0.11	-1.64	861,038	0.10	0.84

NOTE: The erroneous tentative nonconfirmation rate is equal to 1.00 – the rate for cases being authorized without a tentative nonconfirmation.

SOURCE: Web Basic Pilot Longitudinal Transaction Database: October 2004-March 2007

C. ESTIMATING IMMEDIATELY AUTHORIZED AND ERRONEOUS TENTATIVE NONCONFIRMATION RATES, ASSUMING THAT WEB BASIC PILOT EMPLOYERS RESEMBLED NATIONAL EMPLOYERS

Logistic regression models were developed for use in estimating what the immediately authorized and erroneous tentative nonconfirmation rates would have been in the first half of fiscal year (FY) 2007, if the workers verified by the Web Basic Pilot had had characteristics similar to those of all newly hired workers in the nation. The variables that were controlled for were the same variables used in the hierarchical linear models discussed in Section B of this appendix, except that (1) the time period and verification process change were excluded as not being relevant for the restricted population of the first half on FY2007 and (2) the number of transactions and the industry variable for agriculture, forestry, fishing, and hunting were excluded because information was not available for the national population and so cannot be used in standardization. The population used in developing the model was all cases verified in the first half of FY2007. Logistic regression models were used for this purpose, because they are easier to use in developing estimates under standardized conditions than is the case for hierarchical linear models.[1]

The logistic regression equations used for estimating the combined impact of geographic location, industry, employer size, and Form I-9 citizenship status are shown in Exhibits D-7 and D-8. Standardized values were obtained using means for the national population on the independent variables and then evaluating the equation:

Estimated standardized rate = 1/(1+exp(-total of the products of the mean national values and the model coefficients)).

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[1] Tests of significance in the hierarchical linear model are more accurate than in the logistic regression model and conclusions about statistical significance are, therefore, based on the hierarchical linear model.

Exhibit D-7: Estimation of Logistic Regression Model for Whether a Case Was Authorized Automatically

Predictor	Coefficient
Employer-level predictors	
Intercept	3.050
Geographic location (compared to California)	
Arizona/Texas	0.128
Northeast	0.278
Northern/Western	0.180
Midwest	0.278
Southern	0.253
Florida	0.247
Industry (compared to other industries)	
Mining, utilities, construction	-0.295
Animal food manufacturing	0.141
Other food/beverage/tobacco manufacturing	0.062
Other manufacturing	-0.071
Wholesale/retail trade	-0.111
Professional/scientific/technical/education/arts	-0.090
Employment services	-0.079
Public administration/social services	-0.344
Accommodation/food services	-0.273
Employer size	0.042
Form I-9 citizenship status	-2.309

NOTE: Agricultural industries are not included because national data were not available for standardization.

SOURCE: Web Basic Pilot Transaction Database: October 2006-March 2007

Exhibit D-8: Estimation of Logistic Regression Model for Whether an Ever-Authorized Case Was Authorized Without a Tentative Nonconfirmation

Predictor	Coefficient
Employer-level predictors	
Intercept	4.535
Geographic location (compared to California)	
Arizona/Texas	0.608
Northeast	0.417
Northern/Western	0.822
Midwest	0.850
Southern	0.772
Florida	0.338
Industry (compared to other industries)	
Mining, utilities, construction	0.442
Animal food manufacturing	0.849
Other food/beverage/tobacco manufacturing	0.474
Other manufacturing	0.302
Wholesale/retail trade	0.235
Professional/scientific/technical/education/arts	0.643
Employment services	0.969
Public administration/social services	0.321
Accommodation/food services	0.465
Employer size	-0.115
Form I-9 citizenship status (noncitizen=1)	-0.748

NOTE: Agricultural industries are not included because national data were not available for standardization; the erroneous tentative nonconfirmation rate is equal to 1.00 – the rate for cases being authorized without a tentative nonconfirmation (the erroneous tentative nonconfirmation rate for ever-authorized workers).

SOURCE: Web Basic Pilot Transaction Database: October 2006-March 2007

Appendix E

Case Study Synopsis

CASE STUDY SYNOPSIS

A.   INTRODUCTION

The five employers selected for the case study portion of the Web Basic Pilot evaluation had varying levels of experience with the Web Basic Pilot program. The employers had between 1 and 10 years of experience participating in U.S. Citizenship and Immigration Services (USCIS) pilot programs. Three employers had used the original Basic Pilot prior to the Web version.

All employers reported being somewhat satisfied to very satisfied with the Web Basic Pilot program. Employers reported few difficulties with the on-line system itself. None of the employers encountered any problems in registering for the Web Basic Pilot program or any ongoing technical problems. Two employers located on the West Coast reported being unable to reach anyone by telephone to have their passwords reset. Several employers made recommendations for administrative features that would help reduce the amount of time human resources (HR) staff spent using the system. These recommendations are presented in Section K of this appendix.

The case studies revealed a wide range of compliance with Web Basic Pilot procedures among the five employers. The practices of the five employers are summarized in Exhibit E-1. Two of the five employers complied with all Web Basic Pilot requirements with few exceptions. Two additional employers complied with some but not all program requirements, and they differed with respect to the program requirements to which they did adhere. The fifth employer did not comply with the majority of program requirements. It appears that the three employers that did not comply with all Web Basic Pilot requirements were largely unaware of their noncompliance.

In addition to the five employer interviews, the evaluation team also conducted interviews with 79 employees from the five employers. Sixty-five of these employees had received tentative nonconfirmation findings, seven had received "Employment Authorized" findings, and seven had apparently received tentative nonconfirmation findings as the result of data entry errors that the employer never properly closed as Invalid Queries.[1] Of the 65 employees who received tentative nonconfirmation findings, one+ employee was not knowledgeable about the tentative nonconfirmation finding or the contesting process because his mother had resolved the finding for him. Thus, the total sample of tentative nonconfirmation recipients was 64.

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[1] This result led to a re-examination and revision of the cleaning routines for the transaction database, to reduce the number of cases incorrectly classified as tentative nonconfirmations.

Exhibit E-1: Matrix of Case Study Employer Practices

Practice	Employer				
	A	**B**	**C**	**D**	**E**
Used Web Basic Pilot to verify all newly hired workers	X	X	X		
Always entered information within 3 days of hire	X				
Used Web Basic Pilot to prescreen job applicants				X	X
Conducted Web Basic Pilot administrative and employee notification/referral processes within HR department	X	X		X	X
Asked area/department supervisors to conduct notification and referral processes with employees			X		
Notified employees/applicants of tentative nonconfirmations	X	X	X	X	
Provided written notifications of tentative nonconfirmations	X	X	X		
Properly explained contesting options	X	X		X	
Notified employees/applicants privately	X	X	X	X	N/A
Referred contested cases to SSA/USCIS through Web Basic Pilot	X	X	X		
Provided employees with hard copies of referral letters	X	X			
Properly explained SSA contesting process	X	X		X	
Properly explained USCIS contesting process	X	X			
Allowed employees to work while contesting tentative nonconfirmations	X	X	X		
Employees receiving tentative nonconfirmations reported other adverse treatment by employer			X		
Resubmitted contested SSA cases through Web Basic Pilot	X	X	X		
Terminated unauthorized employees or employees who did not contest	X	X	X	N/A	N/A
Promptly terminated unauthorized employees or employees who did not contest	X	X		N/A	N/A
Reported significant costs for using Web Basic Pilot			X		
Closed all cases	X	X	X		
Properly closed data entry cases as Invalid Queries	X	X	X		
Displayed Web Basic Pilot poster	X	X	X		
Stored password and user manual in secure location	X	X	X	X	

SOURCE: Web Basic Pilot Case Study Interviews

Interviewers also reviewed 364 employee files from the five employers. Of these 364 employees, 326 received tentative nonconfirmation findings. During the record review process, interviewers examined the contents of each employee file and checked to see whether information contained in the file matched the information captured on the Web Basic Pilot transaction database. The results of the record review analyses are presented in Exhibits E-2 and E-3.

Exhibit E-2: Percentage of Case Study Employers' Employee Records Containing Specific Items Related to Web Basic Pilot

| Content | Overall (n=364) | Employer | | | | |
		A (n=99)	B (n=81)	C (n=94)	D (n=61)	E (n=29)
Case files containing:						
Form I-9	98.6	100.0	100.0	98.9	95.1	96.6
Copy of Web Basic Pilot case details	92.0	99.0	88.9	98.9	82.0	75.9
Tentative nonconfirmation notice	72.4	100.0	85.7	95.7	0.0*	25.0*
Contesting SSA tentative nonconfirmation case files containing SSA referral letter	97.0	100.0	94.2	98.4	N/A	N/A
Contesting USCIS tentative nonconfirmation case files containing USCIS referral letter	80.0	40.0	100.0	100.0	N/A	N/A
Case files that matched Web Basic Pilot database on employee's:						
First name	97.5	98.0	95.0	98.9	98.4	96.4
Last name	96.7	100.0	98.8	96.8	86.9	100.0
Social Security number	95.9	96.0	95.1	97.9	91.7	100.0
Citizenship status	93.0	99.0	97.5	91.3	84.7	82.1
Date of birth	93.9	96.0	95.0	95.7	86.9	93.1
Hire date	73.0	94.8	81.8	90.4	6.9	50.0
Noncitizen case files that matched on Alien number	92.1	100.0	93.3	98.9	77.8	75.0

*These employers reported during interviews that they did not use the tentative nonconfirmation notices provided by the system.

SOURCE: Web Basic Pilot Record Review

Exhibit E-3: Analysis of Average Number of Days Elapsed Between Various Steps of the Web Basic Pilot Process

Time Span	Overall (n=364)	Employer				
		A (n=99)	B (n=81)	C (n=94)	D (n=61)	E (n=29)
From date employee signed Form I-9 to hire date	6.0	15.3	2.3	1.0	1.6*	3.6*
From hire date to case-initiated date	6.2	1.7	11.7	5.2	0.8*	20.9*
From case-initiated date to date employee signed tentative nonconfirmation notice	12.4	20.9	1.5	14.7	N/A	N/A
From date employee signed tentative nonconfirmation notice to date employee was referred to SSA	0.8	-0.1	0.0	2.5	N/A	N/A
From date employee signed tentative nonconfirmation notice to date employee was referred to USCIS	1.5	0.3	0.0	2.5	N/A	N/A
From date employee was referred to SSA to date SSA representative signed referral letter	2.1	1.1	1.9	92.0	N/A	N/A
From date SSA representative signed referral letter to date case was resubmitted to Web Basic Pilot	10.1	13.3	8.0	15.0	N/A	N/A
From date case was resubmitted to Web Basic Pilot to closure date (SSA cases)	0.1	0.0	0.2	0.0	N/A	N/A
From hire date to closure date	39.7	31.1	19.0	73.6	5.5*	7.8*
From case-initiated date to closure date	34.1	29.4	7.6	68.4	2.8	0.0

*The record review found that the hire dates entered into the Web Basic Pilot system by these employers frequently did not match the hire dates listed on the Form I-9.

SOURCE: Web Basic Pilot Record Review

This appendix synthesizes the findings from all five case study employers and their employees. This synopsis discusses these employers' procedures for using the Web Basic Pilot system by examining whether or not they complied with program requirements. It also reports findings on the impact of the contesting process on employees and the employer, as well as the program's overall impact on employees who received tentative nonconfirmations. Finally, the appendix discusses some key findings about the use of the Web Basic Pilot system by large employers and ends with employer recommendations for improvements to the Web Basic Pilot. The synopsis is structured as follows:

- Who the employer verified;

- The tentative nonconfirmation notification process;

- The referral process;

- The impact of the contesting process on employees and the employer;

- Following up on issued tentative nonconfirmations;

- Terminating unauthorized employees;

- Other administrative requirements;

- Impact on employees who received tentative nonconfirmations;

- The Web Basic Pilot and large employers; and

- Employer recommendations for improvements to the Web Basic Pilot.

B.   WHO THE EMPLOYER VERIFIED

Three employers followed correct procedures for using the system to verify only newly hired employees. However, staff from one of these employers stated that it would be ideal if they could use the system to prescreen job applicants. Only one of the three employers reported being able to meet the requirement that employees' information be entered into the system within 3 days of their hire dates. The record review confirmed that an average of only 1.7 days passed between hire date and case-initiated date for this employer. However, staff from two other employers also reported that they frequently had trouble meeting this deadline. For these two employers, the record review indicated that cases were initiated, on average, 11.7 days and 5.2 days, respectively, after the employees' hire dates. Both were large employers with multiple departments in various locations. Although the Web Basic Pilot system was used centrally within each employer's HR office, both employers reported that the interviewing and hiring process was decentralized. Therefore, the hiring paperwork (i.e., application packages, Form I-9s, and photocopied documents) frequently would not arrive in time for HR staff to enter new employees' information within 3 days of their hire dates. The record review showed that all three employers were correctly entering the hire date from the Form I-9 into the Web Basic Pilot system.

Two employers used the system to prescreen job applicants or screen newly hired workers before they allowed them to start working for the company. The staff of neither employer provided any indication that they were aware of their misuse of the system. In fact, one employer's representative stated that the only time their staff were unable to follow proper procedures was when they had to have employees start working before they had time to enter the employees' information into the Web Basic Pilot (which, of course, is the correct Web Basic Pilot procedure). This same employer's representative expressed the opinion that all employers should be required to use the system to prescreen job applicants. Interviews with workers from these two employers revealed that neither employer followed a consistent hiring and verification process and confirmed that several employees had been prescreened. The record review showed that the hire dates entered by these two employers were frequently not the same as those listed

on the Form I-9. There was no evidence that any of the five employers used the Web Basic Pilot system to verify employees hired before the record review.

The record review showed that all five employers retained almost all employees' Form I-9s and that the information from the forms had been correctly entered in the Web Basic Pilot system (with the exception of the hire date). As shown in Exhibit E-2, nearly 100 percent of all files contained Form I-9s and nearly all matched the transaction database on employee first and last name, Social Security number, citizenship status, and date of birth. Two employers were not as precise about entering Alien numbers. Most employee files also contained at least one copy of the Web Basic Pilot case details sheet.

C.   TENTATIVE NONCONFIRMATION NOTIFICATION PROCESS

The majority of employees who received tentative nonconfirmation findings were notified by their employers. Most employees reported that they had been notified of a tentative nonconfirmation finding or a "problem with their paperwork" by their employers. The interviews revealed that:

- Two employers notified all employees of their tentative nonconfirmation findings by following the correct Web Basic Pilot procedures.

- Two employers notified most employees of a problem but did not follow the correct procedures for doing so.

- One employer did not notify employees.

Two of the five employers used the written tentative nonconfirmation notices provided by the system and properly explained the notice and the contesting process to employees. Two employers – both of which correctly verified only new employees – followed the correct Web Basic Pilot procedures for:

- Informing employees about tentative nonconfirmation findings;

- Giving employees the tentative nonconfirmation notices;

- Explaining what the tentative nonconfirmation notice meant;

- Ensuring that employees understood their options for contesting; and

- Filing the signed tentative nonconfirmation notices with the employee's records (100.0 percent and 85.7 percent, respectively).

The employees who worked for these two employers confirmed that their employers had followed all of these procedures.

One employer printed the tentative nonconfirmation notices for employees to sign but did not properly explain the notice or the contesting options. At one employer, it was the supervisors' responsibility to inform employees of tentative nonconfirmation findings, explain the finding and the employees' options, and have the employees sign the tentative nonconfirmation notices. Employee interviews revealed that, despite training classes offered by the HR office, supervisors did not follow proper procedures. In most cases, the supervisors told the employees that there was a problem with their paperwork or that they were not authorized to work. Many supervisors directed the employees to sign the tentative nonconfirmation notices "so they could work longer" but did not properly explain the tentative nonconfirmation notice, the employees' options, or the contesting process. Once signed, the tentative nonconfirmation notices were properly filed with the employees' records (95.7 percent).

Neither of the two employers that prescreened job applicants used the written tentative nonconfirmation notices to notify applicants/employees of the tentative nonconfirmation findings. However, one employer informed most applicants when they had a problem with their paperwork. The representative of one employer reported, rather than print the tentative nonconfirmation notices from the system, their staff showed the applicant the computer screen indicating a tentative nonconfirmation finding. During the record review process, no tentative nonconfirmation notices were found in any employee records. This employer did, however, orally inform applicants that they must resolve a problem with the Social Security Administration (SSA) or USCIS. Nine of 10 employees who received tentative nonconfirmation findings from this employer said they were told that there was a problem with their paperwork; however, they did not receive a tentative nonconfirmation notice. The representative of another employer reported that the company's staff sometimes told applicants/employees about problems with their paperwork or ignored the finding if they "did not think it was correct." This employer did not give applicants/employees the tentative nonconfirmation notice or any information about their contesting options. Only two employees at this employer reported being told of a problem with their paperwork. During the record review process, tentative nonconfirmation notices were found in only 25.0 percent of the files.

Most employees reported being notified in private of a tentative nonconfirmation finding or problems with their paperwork. There were, however, exceptions at each of the four employers where employees were regularly notified:

- One employer sometimes notified a group of employees who had all received tentative nonconfirmation findings and were all participating in the same training session.

- One employer reported that the employees' supervisors were also asked to be present at "private" notification meetings. However, only a few employees reported that their supervisors attended the meeting.

- One employer sometimes told employees about a problem with their paperwork in a public location where other employees could hear. A few employees reported that the employer posted a list of names of those who were "not authorized to work."

- One employer sometimes told employees in a public place where other people were around, but in a location where only the employee could hear.

D. REFERRAL PROCESS

The two employers that followed the correct procedures for notifying employees of tentative nonconfirmation findings were also the only employers that followed the correct procedures for referring employees to SSA or USCIS. The two employers followed correct procedures for:

- Referring employees to the appropriate agency through the Web Basic Pilot system;

- Giving employees the appropriate information, maps, and directions, as well as use of the HR office telephone; and

- Ensuring that employees understood what they needed to do to contest their tentative nonconfirmation findings.

The employees who worked for these two employers confirmed that the employers followed all of these procedures. One employee reported that his employer even took care of the contesting process for him because he did not speak English and did not understand the process.

The record review revealed that both employers almost always filed SSA referral letters with employees' records, but only one of the two employers regularly filed USCIS referral letters. A representative of the other employer indicated during the interview that the company's HR staff were able to provide employees with the toll-free number for contacting USCIS without having to print the USCIS referral letter. This employer allowed employees to use the telephone in the HR office to contact USCIS immediately.

One employer did not refer cases through the Web Basic Pilot system or use the referral letters, but the employer's staff informed most employees how to correct paperwork problems with SSA. This employer told most employees to go to the local SSA office to correct tentative nonconfirmation findings from SSA. However, the employer seemed confused about how to handle tentative nonconfirmation findings from USCIS and did not tell employees how to correct USCIS problems unless the problem was evident from the employees' paperwork (i.e., renewing an expired work permit). All but one employee from this employer reported that HR staff had told them to go to SSA or USCIS to correct a problem with their paperwork. The one employee who was hired without being told of a problem with his paperwork received a tentative nonconfirmation finding from USCIS. Despite not having the referral letters, most of this employer's

workers who were work-authorized were able to correct their problems with the appropriate agency. Since the employer did not refer employees to the proper agencies through the Web Basic Pilot system, no referral letters were found in the employee records.

Two employers did not properly inform their employees of how to correct problems with their paperwork. The HR office at one employer initiated referrals through the Web Basic Pilot system, printed referral letters for employees, and filed copies with the employees' records. However, the supervisors did not explain the referral letter to employees or give them a copy unless they requested it. The supervisors sometimes told employees to go to SSA or USCIS, but only if employees asked what they needed to do to correct the problem. In one case, an employee was incorrectly told to go to SSA instead of USCIS. One additional employer did not initiate referrals through the system and sometimes told employees about problems with their paperwork. In cases when employees were informed, the employer's staff did not use the referral letters and did not consistently refer employees to SSA. This employer seemed unaware that USCIS was part of the system. No referral letters were found in the employee files at this employer.

E.   IMPACT OF THE CONTESTING PROCESS ON EMPLOYEES AND THE EMPLOYER

Two employers allowed employees to continue working while they contested tentative nonconfirmation findings and did not take any adverse actions against them. These two employers allowed employees to continue working while they contested their tentative nonconfirmation findings. These employers did not reduce or hold back wages, did not delay training, and did not otherwise treat the employees any differently from other employees. Employee interviews confirmed that they were not treated any differently by the employer during this process.

One employer allowed employees to continue working while they contested tentative nonconfirmation findings, but employees felt they were mistreated by their supervisors. Employees who worked for one employer reported that supervisors assumed that all employees who received tentative nonconfirmation findings were illegal workers. A few employees reported that they were required to work longer hours and in poor conditions. Most employees who reported being mistreated also said they were not authorized to work. However, one employee who was authorized to work also reported that he received harsher treatment because the supervisor assumed he was an illegal worker. Supervisors at this employer often encouraged employees to reapply with different Social Security numbers once they were terminated.

The two employers that prescreened job applicants did not allow applicants to start working for the company if they received tentative nonconfirmation findings. At one employer, applicants were not hired, given a uniform, or allowed to start training until the system showed them to be authorized. The employer did have a process for applicants to contest the tentative nonconfirmation findings, although the process did not follow all Web Basic Pilot requirements. Another employer also reported that the company did not hire applicants who received tentative nonconfirmation findings, although employee

interviews revealed that several employees were hired and never told about the finding. Although these employees were not denied employment, they were not given the opportunity to correct any problems with their paperwork. The interviews did not indicate that a contesting process was in place at this employer.

Four employers reported that they incurred little to no cost due to the Web Basic Pilot contesting process. Two employers found the Web Basic Pilot program cost-effective compared to the alternatives of calling SSA to verify Social Security numbers or mistakenly hiring workers who were not work-authorized. Neither employer officially allowed employees to contest findings on company time, but one of the two employers acknowledged that employees sometimes used company time or the company telephone. A third employer that prescreened most job applicants but allowed them to contest tentative nonconfirmation findings reported that the only associated costs were paperwork and processing costs and that these costs had little impact on the company. A fourth employer said that it incurred no costs with the system, but there was no evidence that this employer had a contesting process.

One employer reported that it incurred significant costs due to an increased staff turnover rate. This employer reported an increased turnover rate due to its use of the Web Basic Pilot system, as well as large costs associated with providing training, safety equipment, and handbooks to many new employees who turned out not to be work-authorized and were eventually terminated. Furthermore, the supervisors instructed many unauthorized workers to reapply with new Social Security numbers when they were terminated. Some employees reported applying, being hired, and then being terminated as many as three times. The Web Basic Pilot program was not discouraging unauthorized workers from applying for work with this employer. In this employer's opinion, the Web Basic Pilot increased the turnover rate and the costs associated with hiring and training new, and sometimes repeat, employees. Despite these costs, the employer stated that the program was beneficial and therefore continued to use it.

F.   FOLLOWING UP ON ISSUED TENTATIVE NONCONFIRMATIONS

Three employers followed all proper procedures for following up on tentative nonconfirmation findings. These employers reported correct procedures for:

- Initiating referrals through the Web Basic Pilot system;

- Resubmitting SSA cases when the employer received a signed referral letter from SSA; and

- Looking for USCIS responses in the system.

Two of the three employers also reported that they resubmitted SSA cases when 8 days had passed and they had not yet received a signed referral letter from the employee.

Two employers did not follow up on any tentative nonconfirmation cases in the Web Basic Pilot system. One employer entered new cases for all employees who returned

from SSA or USCIS with additional proof of work authorization, thereby creating several cases for many employees. The employer did not initiate referrals through the Web Basic Pilot system, resubmit SSA cases, or look for automatic responses from USCIS. Similarly, another employer did not initiate referrals through the system, resubmit SSA cases, or understand the purpose or meaning of tentative nonconfirmation findings and the referral process.

Three employers made an effort to close all cases with the proper closure codes and correctly closed cases with data entry errors; two employers did not. During their employer interviews, three employers reported proper procedures for closing cases. The transaction database confirmed that each employer had closed all but a small number of cases. These three employers also reported correct procedures for closing as Invalid Queries cases that received tentative nonconfirmation findings as a result of a data entry error.

Staff at a fourth employer were aware that the company should be closing cases but considered the process time consuming and had not closed the majority of the company's cases, including many data entry error cases. Furthermore, the employer's representative reported that an applicant's name was frequently entered several times in different configurations in an effort to obtain an "Employment Authorized" response, especially when applicants had more than one last name. Most of these repeat cases remained open in the system rather than being closed as Invalid Queries. Another employer was unaware that cases should be closed and did not know how to do so.

G.   TERMINATING UNAUTHORIZED EMPLOYEES

Three employers reported following most procedures for terminating all employees who were not work-authorized or otherwise decided not to contest a tentative nonconfirmation finding. However, two of the employers relied on department staff to terminate these employees, which led to delays in the process. Staff at one employer said that they had never had to fire an employee, because most employees turned out to be work-authorized, but that they would promptly terminate any employee who was not authorized. HR staff at two additional employers reported that they initiated the termination process promptly upon discovering that employees were not work-authorized or would not contest the tentative nonconfirmation findings. The employers' departments or supervisors would handle the terminations rather than the HR offices. Employee interviews at one of the two establishments revealed that supervisors often prolonged the contesting process so that unauthorized employees could continue to work for them. Supervisors frequently did not terminate employees when told to do so and often told HR that they could not afford to lose a worker at that time.

One employer did not terminate employees who received final nonconfirmation findings if they provided documentation from SSA that their Social Security number was valid. The employer closed these cases as "Employee Not Terminated." Staff at this employer reported that when they resubmitted cases through the system after employees contested, a few employees still received final nonconfirmation findings even though they had received from the local SSA office "letters indicating that the Social

Security numbers were valid."[2] In these cases, the employer relied on the letter from the local SSA office rather than the Web Basic Pilot finding. The employer felt that this discrepancy was a problem with the system that needed to be addressed by SSA and USCIS.

Since two other employers used the system primarily to prescreen job applicants, they rarely had the opportunity to terminate a working employee as a result of the tentative nonconfirmation process. Both employers reported that they would terminate any employees who were not work-authorized.

H.   OTHER ADMINISTRATIVE REQUIREMENTS

Not all employers displayed the poster or otherwise ensured that job applicants were informed of their participation in the Web Basic Pilot program. Three employers displayed the Web Basic Pilot poster in their HR offices; however, at two employers, the application process was decentralized. Therefore, not all applicants would see the poster at the time of application. The other two employers did not display the poster, but one of them included a notice on its job postings to inform applicants that the system would be used to verify work authorization.

Most employers maintained proper security procedures for using the system. HR representatives in four establishments reported that staff memorized user passwords or otherwise maintained them in a secure location. At the fifth employer, the system password was in plain sight near the computer.

I.   IMPACT ON EMPLOYEES WHO RECEIVED TENTATIVE NONCONFIRMATIONS

The impact of prescreening on employees varied. Some employees were able to contest the finding and were eventually hired, others did not understand how to contest and were never hired, and others were never told about the finding and were hired anyway. At one employer, employees who were prescreened were given the opportunity to correct their paperwork but were not allowed to start working until they did so. Of the employees interviewed, most work-authorized applicants were able to contest the finding and were eventually hired by the employer. However, one applicant did not understand the instructions he was given so he did not contest and was never hired by the employer. Staff at another employer reported that they prescreened job applicants and did not hire those who received tentative nonconfirmation findings, although they sometimes ignored the tentative nonconfirmation finding if they "didn't think it was correct." All the employees interviewed from this establishment were hired despite tentative nonconfirmation findings; most had not been informed of any problems with their paperwork. Because the employer did not keep records on employees who were not hired, the evaluation team was unable to interview employees who were not hired because of tentative nonconfirmation findings.

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[2] It was unclear from the interview whether the employer was referring to the signed referral letter or another letter from SSA.

At one employer, employees reported adverse treatment by their supervisors because of their tentative nonconfirmation finding. Unauthorized workers who continued to work for this employer during the contesting process reported the most mistreatment from their supervisors, including:

- Working overtime or under poor conditions,

- Being fired for taking time off due to illness, and

- Being afraid that they could be fired at any time.

One employee who reported that he was work-authorized said that the supervisor was unpleasant to him because the supervisor assumed that he was an illegal worker.

The majority of employees said that they were not nervous or scared about the tentative nonconfirmation findings and appreciated the chance to correct problems with their paperwork. Most employees who reported being nervous about losing their jobs or confused about the findings came from employers that did not properly explain the tentative nonconfirmation finding or give employees the tentative nonconfirmation notice and referral letter. Workers from employers that properly informed employees about the tentative nonconfirmation notice and referral process either expressed no reaction or said they were nervous at first but were reassured by their employer that everything would work out. Several employees indicated that they were glad to be able to correct their paperwork. However, two employees were irritated about spending their own time to correct what they perceived as the government's errors. Employees who were not work-authorized reported feeling bad or guilty or having no reaction when they were told of the problems with their paperwork.

Most employees who did not contest the tentative nonconfirmation findings were not work-authorized. A few work-authorized employees did not contest the findings or were unsuccessful in contesting the findings because their employers did not give them sufficient or correct information. For example, two work-authorized employees were unable to contest the tentative nonconfirmation findings because they did not understand how to correct their paperwork. Another two work-authorized employees tried to contest but were unsuccessful; one was incorrectly told to go to SSA rather than USCIS, and the other visited USCIS but did not have a referral letter explaining that he needed to resolve a tentative nonconfirmation finding. In the latter case, the employee obtained a letter from USCIS stating that he was in the process of becoming a permanent resident; however, this documentation was not sufficient to prevent him from being terminated. Two additional employees were told by their employer that the HR office would take care of the problem for them, so they did not contest the finding themselves.

Most employees reported positive experiences correcting their paperwork with SSA or USCIS. Most of the 28 employees who reported visiting SSA to contest tentative nonconfirmation findings were satisfied with their experiences and treatment, even those who had not received referral letters from their employers. Overall, employees who contested SSA findings did so quickly: The record review showed an average of only 2.1

days between the referral to SSA and the date the SSA representative signed the referral letter (if one was provided to the employee). Most employees said they did not have to spend much time waiting or speaking with a representative at the local SSA office. Three employees reported having to wait for approximately 2 hours, and two employees said the process took them all day. Another employee took the whole day off and lost that day's wages because he was not sure how long the process would take.

Three employees contacted USCIS to correct problems with their paperwork. One employee received the referral letter, called the USCIS telephone number, and resolved the problem over the telephone without any difficulty. The other two employees did not receive referral letters and went to local USCIS offices. The latter two employees reported spending 1 to 2 days getting copies of various documents to return to their employers. One employee returned with a letter stating that his permanent residency card was in process and was terminated because the system reported a final nonconfirmation. The second employee returned with a work permit renewal application and a letter from his lawyer and was *not* terminated despite a final nonconfirmation from USCIS.

J.   THE WEB BASIC PILOT AND LARGE EMPLOYERS

An important finding emerged as a result of having three large employers with multiple departments in this case study. These employers had central HR offices that had to coordinate the Web Basic Pilot process with multiple departments or work sites at different locations. How the HR office chose to interact with these departments had an impact on how the Web Basic Pilot process was implemented at each site, the amount of time the process required, and the level of compliance with Web Basic Pilot procedures.

The need for HR offices to rely on external departments to assist with the Web Basic Pilot process extended the overall duration of the tentative nonconfirmation notification and contesting process at all three establishments. The HR offices at two of the large establishments had to wait for various departments to forward hiring packages and work-authorization documents before information could be entered into the Web Basic Pilot system. Both employers reported that they frequently had difficulty meeting the Web Basic Pilot requirement to enter new employees' information within 3 days of hire. Additionally, when the hiring process took place at the department level rather than in the HR office, employees were not always aware that the employer was using the Web Basic Pilot program. Although both employers displayed the Web Basic Pilot poster in their central HR offices, it is unlikely that many job applicants viewed this poster.

Once tentative nonconfirmation findings had been issued, all three employers had to go through departments or supervisors to contact the employees. Two of the large employers contacted department managers and requested that the employees report to the HR office to receive the notification from an HR representative. One employer reported that this process could sometimes take several weeks depending on whether the department managers would excuse employees from their training sessions. Employee interviews at this employer indicated that it took anywhere between 1 day and 3 months until some employees were notified of their tentative nonconfirmation findings. The record review

also showed that an average of 20.9 days passed between case-initiated dates and the dates that employees signed their tentative nonconfirmation notices. The other employer was able to conduct this process more quickly, and the record review showed an average of only 1.5 days between case-initiated dates and the dates employees signed the notices.

Alternatively, a third employer provided the tentative nonconfirmation notices directly to the supervisors and relied on them to provide the notices to the employees. Once the notices had been signed, the supervisors forwarded them to the HR department. Employee interviews indicated that some employees had been working for several weeks before they were notified of a problem with their paperwork. The record review showed that an average of 14.7 days passed before employees were able to sign their tentative nonconfirmation notices, and another 2.5 days passed before employees were referred to either SSA or USCIS through the Web Basic Pilot system. At this point, the HR office sent the referral letters to the supervisors. Employees reported that they received the referral letters anywhere between 2 weeks and 1 month after they had received the tentative nonconfirmation notices. Overall, the record review for this employer showed that it took an average of 68.4 days for tentative nonconfirmation cases to be resolved (from initiated date to closure date).

The case of one employer suggests that there is significant room for noncompliance when departments or supervisors are heavily involved in the tentative nonconfirmation notification and referral process. Although this employer's central HR office followed all administrative requirements for the Web Basic Pilot and offered training classes for supervisors in the proper procedures for tentative nonconfirmation notification and referral, supervisors did not comply with many of the Web Basic Pilot requirements. Employee interviews indicated that supervisors at this establishment deliberately prolonged the contesting process to enable unauthorized workers to continue working until a project was completed. Rather than explain the employee's options, the supervisors told most employees to sign the tentative nonconfirmation notice and referral letter so they could keep working, or delegated this responsibility to the site secretaries. Most employees who were work-authorized had to ask repeatedly what they needed to do to contest the findings and were rarely given sufficient information. Employees felt that their supervisors took advantage of them. The supervisors also did not terminate employees promptly when instructed by the HR office; most employees were employed for approximately 3 months before being terminated. A second employer also reported that its HR office relied on department managers to carry out employee terminations.

K. EMPLOYER RECOMMENDATIONS FOR IMPROVEMENTS TO THE WEB BASIC PILOT

Employers made several recommendations for improvements to both the overall Web Basic Pilot process and the administrative features of the on-line system.

Employers made the following recommendations for changes to the Web Basic Pilot process:

- **Two employers recommended that the requirement to enter employees' information into the Web Basic Pilot system be lengthened from 3 to at least 5 days.**

- **Two employers suggested that the Web Basic Pilot system should be used by all employers to prescreen applicants before they are hired or start working.** This suggestion indicates that these employers may not fully understand the reasons for not prescreening applicants.

Employers made the following recommendations for changes to the administrative features of the on-line system:

- **Two employers reported difficulty having their passwords reset.** These employers reported that calling the help desk to have their passwords reset was time consuming, particularly when the office was closed and the employer had to wait until the next day to get a new password. One employer recommended an after-hours telephone line or a text e-mail system that could provide users with their user names and passwords if the office was closed. It is the understanding of the evaluation team that this recommendation has already been implemented.

- Two employers made the following recommendations for how to streamline the administrative processes for using the on-line system:

  - **One employer felt that the process of resolving cases could be streamlined.** For example, if an employee is work-authorized at the initial query, the employer must complete several steps to close the case. Once the verification result screen appears, the user must click the "Resolve Case" button. Then, a second screen appears on which the user must select case resolution and click the "Resolve Case" button again. The employer thought the two screens were redundant and suggested that the system automatically resolve cases that are initially work-authorized.

  - **One employer recommended that the system indicate which cases have received new findings from USCIS and require action.** Employers currently receive the message "X cases requiring action," but they reported that it is time consuming to scroll through all open cases to determine which have new results, particularly since HR staff check for new responses daily.

  - **One employer recommended that "general users" be able to work on any case in the system.** At this employer, it is possible for any HR staff member to work on any case, regardless of whether he or she initiated it; therefore, all users must be set as administrators. However, when users are designated as administrators, they also have access to other features of the system that should be accessible only to the HR director.

- **One employer recommended that the system indicate data entry errors or other errors on the part of SSA or USCIS.** Also, this employer would like the Web Basic Pilot to indicate when it will take longer than 8 or 10 days to resolve a case.

Two employers would appreciate more compatibility between the Web Basic Pilot system and their existing HR systems:

- **One employer recommended that the Web Basic Pilot allow for some employer personalization.** This employer would like to be able to enter the company's employee numbers and department numbers to facilitate the reporting and merging of information with its existing databases. Because the HR department relies on the help of various other departments to complete the Web Basic Pilot process, the employer would like to be able to run reports to determine the numbers of tentative nonconfirmation findings, resolved tentative nonconfirmation findings, and pending tentative nonconfirmation cases by department. Currently, the employer must re-enter the employee information, case status, and Web Basic Pilot findings from the Web Basic Pilot system into its own HR database in order to sort this information by employee and department number. If an administrative function cannot be added to the Web Basic Pilot to facilitate production of these reports, the employer would like to be able to export data from the Web Basic Pilot system into an Excel worksheet or similar application. This type of sorting and reporting would reduce the amount of time HR staff spend using the Web Basic Pilot and handling tentative nonconfirmation cases.

- **Another employer suggested that the system allow employers to upload employee information from an existing HR database.** At this employer, all employee information from the applications and Form I-9s is entered into an existing HR database and must be retyped into the Web Basic Pilot system.